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## Shadow Over Warehousing in Barge Lines Case

Examiner, Saying I.C.C. Has  
No Jurisdiction, Would  
Dismiss A.W.A. Complaint

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**C**OMplete agreement with the contention of the Inland Waterways Corporation that the Interstate Commerce Commission has no jurisdiction over the storage-in-transit charges of the Federal Barge Lines was expressed by Examiner William A. Maidens of the Commission, in his proposed report on the complaint (Docket 23510), which, brought against the Inland Waterways Corporation by the American Warehousemen's Association, alleged violations of the Interstate Commerce Act in the so-called free storage case. The Examiner's report was made public on April 9.

Lacking jurisdiction, Mr. Maidens said, the Commission should dismiss the complaint.

Thus the American Warehousemen's Association received a serious setback in its battle to force the Government out of the warehouse business, or at least to force the Government to give its members a "break" with regard to Barge Lines' warehouse charges.

The case, of course, was not closed with the filing of Examiner Maidens' report. The Commission itself has

not yet considered the issues involved and it is entirely possible for the Examiner to be overruled. In the majority of cases, however, the Commission goes along with the recommendations submitted by its Examiners, although it is not unusual for Examiners' reports to be upset.

Whether the Commission overrules Mr. Maidens' report will depend to a large extent on the skill with which counsel for the American Warehousemen's Association and the various interveners plead their case when it is brought up for oral argument before the Commission in Washington—the next step in the case.

If the Commission follows Mr. Maidens' recommendation and dismisses the case, the warehousemen affected by the alleged discriminatory charges of the Federal Barge Lines' warehouses will have to look to Congress for a remedy. As it is probable that the Commission's decision will be ready before Congress convenes in December, it would be well for the association to make plans for a legislative program which would incorporate a bill to accomplish the purpose of the complaint, assuming that the Commission meanwhile sees fit to follow Mr. Maidens' line of reasoning.

**T**HE Maidens report was devoted chiefly to a recital of the manner of handling sugar shipments at the various termini of the Barge Lines, and the cost of this handling. Only about one-fourth of it was taken up with discussion of the questions raised by the complaint.

As his chief point of argument Mr. Maidens cited language from the Commission's decision in *Wharfage Charges at Atlantic and Gulf Ports* (157 I. C. C. 663), as follows:

"Our activities are limited by the terms of the Interstate Commerce Act. The municipal or private rail-water facilities are in many instances active competitors of the rail carriers for terminal business, and under the law carriers are under no obligation to make their charges with a view to insuring a profit upon operations of other public terminals. Railroads may make such rules, regulations, and practices as will lawfully preserve traffic to their own rails and facilities. There can be no

violation of the Act when carriers fail to place certain of their charges on a basis which will enable their competitors to take away their business."

Following this the Examiner said:

"The evidence presented does not convincingly establish the inadequacy of the storage charges assailed nor does the record show that any shipper using the Barge Line service has been refused the services complained of. The complaining warehousemen are not shippers, and

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## The Story in Brief of Warehousing's Fight Against Federal Waterways Competition

THE following is a chronological résumé of how the American Warehousemen's Association has been waging its legal and moral battle to compel the Government-subsidized Barge Lines to discontinue free storage and less-than-cost handling at their riverport terminals in competition with established warehousing:

¶ Jan. 20-23, 1930: American Warehousemen's Association at its convent at Biloxi, Miss., adopts the following resolutions:

¶ "Whereas, the Inland Waterways Corporation, commonly known as the Federal Barge Line, has been created by Congress to furnish barge transportation upon certain inland waterways, and

¶ "Whereas, the Federal Barge Line has adopted and entered upon certain practices which amount to indirect rebating, namely, free storage at river points for long periods of sugar and other important commodities; and

¶ "Whereas, such free storage is unwarranted and such indirect rebating unlawful, be it

¶ "Resolved, that these practices be called to the attention of Congress and the Interstate Commerce Commission, and that the general secretary be instructed to send a copy of this resolution to the President of the United States, to the Secretary of Commerce, to the secretary of the Interstate Commerce Commission, to the operating executive of the Inland Waterways Corporation and to other interested Government officials."

¶ April 8, 1930: Major General T. Q. Ashburn, in his annual report as chairman and executive of the Inland Waterways Corporation, says that the problem of the American Warehousemen's Association "is a matter which is properly justiciable by the Interstate Commerce Commission."

¶ May, 1930: American Warehousemen's Association formally files with the Interstate Commerce Commission a complaint charging that certain of the Inland Waterways Corporation's rates, rules, regulations and practices are "unjust, unreasonable and unlawful in violation of Section 1, unjustly discriminatory in violation of Section 2 and unduly prejudicial in violation of Section 3 of the Interstate Commerce Act." The complaint asks of the I. C. C. an order commanding the Inland Waterways Corporation "to cease and desist from" the alleged violations.

¶ June, 1930: H. C. Herschman, then general president of the American Warehousemen's Association, issues a statement saying that unless the Inland Waterways Corporation's competitive methods are "promptly corrected" they will "mean destruction to present well developed public warehouse service organizations."

¶ June 18, 1930: On behalf of the American Warehousemen's Association, Wilson V. Little, executive secretary of the merchandise division, files with the I. C. C. a further statement alleging free storage practice by the Inland Waterways Corporation.

¶ July, 1930: *Distribution and Warehousing* publishes results of an independent survey conducted to learn to what extent the warehouse industry is suffering from the Federal Barge Lines' practices. Letters from executives who reply indicate that many thousands of dollars in storage revenue is being lost annually because of Government competition on the waterways.

¶ July, 1930: Inland Waterways Corporation, formally filing with the I. C. C. a reply to the A. W. A. complaint, enters a blanket denial to the charges that its practices and charges in connection with storage-in-transit are in anywise unjust, unreasonable or unlawful.

¶ Aug. 12, 1930: Interstate Commerce Commission announces Sept. 30 as date for hearing on the American Warehousemen's Association complaint—at Memphis, Tenn., before Examiner William A. Maidens.

¶ Sept. 10, 1930—A pamphlet covering the situation to date is prepared by *Distribution and Warehousing* and sent to President Hoover, Secretary of War Hurlley (the Inland Waterways Corporation is a War Department agency,) Secretary of Commerce Lamont, the inland water transportation committee of the Chamber of Commerce

of the United States, the Chamber of Commerce at ports along the Mississippi, Warrior, Ohio and Missouri Rivers, and to every United States Senator and every Representative in Congress. This pamphlet is fivefold, containing (1) text of American Warehousemen's Association's complaint filed with I.C.C., (2) the statement by Mr. Herschman, (3) comments by storage executives during the independent survey, (4) a background story of the conditions against which the warehouse industry is protesting, and (5) an advance announcement regarding the Memphis hearing.

¶ Sept., 1930: President Hoover, replying to *Distribution and Warehousing's* letter accompanying the pamphlet, states he is calling the situation to the War Department's attention and adds: "I am in hopes that some method of adjustment may be found." Secretary of War Hurlley writes: "I am glad to know that the perplexing question raised in the article is soon to be decided by the Interstate Commerce Commission."

¶ Sept. 30, 1930: Examiner Maidens of the I. C. C. conducts hearing at Memphis. Lone Government witness, W. M. Hough, traffic manager of the Federal Barge Lines, testifies under cross-examination that the Inland Waterways Corporation is not trying to make a profit as much as it is trying to demonstrate what water transportation is and whether water transportation can be revived and afford the shipping public some real economies in transportation. Warehousing's case before Examiner Maidens is handled by I. F. Daspit and H. C. Ames as counsel, and testifying warehousemen include R. W. Dietrich, chairman of A. W. A. committee leading the fight. Interveners before the Examiner on behalf of warehousing include railroad, sugar-producing and private barge line executives. Counsel for the Inland Waterways Corporation suggests that the complainant seek relief in congress—which contrasts with General Ashburn's statement, in his report made on April 8, that the problem "is properly justiciable by the Interstate Commerce Commission."

¶ Nov. 24, 1930: General Ashburn in a speech before the Mississippi Valley Association, at St. Louis, scoffs at the charge that the Government-owned Barge Lines "are engaged in nefarious practices designed to put the warehousemen out of business." He says: "It is to laugh, as the French say!"

¶ December, 1930: R. W. Dietrich, spokesman for warehousing, writes *Distribution and Warehousing*, in reply to General Ashburn's St. Louis speech, that "free storage and free handling still continue."

¶ December, 1930: Briefs are filed with the I. C. C. by the American Warehousemen's Association and the Inland Waterways Corporation. The A. W. A. in its brief reiterates its charges of violations of the Interstate Commerce Act, declaring that (1) the defendant Barge Line is in reality according a storage service, (2) that this service is accorded without charge, and (3) the practice is unlawful, affecting (a) public warehousemen who formerly enjoyed this storage business, (b) competing railroads, (c) shippers who cannot use the facilities of the Federal Barge line, and (d) competing barge line companies. The Inland Waterways Corporation in its brief declares that the issues in the case are not within the jurisdiction of the Interstate Commerce Commission—once more in contrast with General Ashburn's statement, in his report made on April 8, that the problem "is properly justiciable by the Interstate Commerce Commission."

¶ April 9, 1931: Proposed report of Examiner Maidens to the I.C.C. agrees with the contention of the Inland Waterways Corporation that the I.C.C. has no jurisdiction over the storage-in-transit charges of the Federal Barge Lines. Lacking jurisdiction, according to the Examiner, the Commission should dismiss the complaint filed by the American Warehousemen's Association.

¶ April 29, 1931: Date set as the latest when the A. W. A. and the Inland Waterways Corporation, together with the interveners, may file exceptions to the Examiner's report. Following receipt of all exceptions, the case will be assigned for argument, probably some time during the summer, with final decision by the I. C. C. expected in the fall.



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no shipper to whom the Barge Line facilities are available is here complaining against the storage-in-transit charges.

"The storage and handling services performed by defendant at its terminals is in the nature of that performed by carriers when they grant free dockage to steamships as a solicitation for freight. The fact that the charges assessed are published in a tariff on file with this Commission can not confer jurisdiction upon the said Commission where it has not been granted by Congress.

"Upon all the facts of record the Commission should find that it is not within its powers to determine the issues here presented. The complaint should be dismissed."

In reviewing the testimony taken at the hearing in Memphis last September, Mr. Maidens recalled that the evidence of the complainant was directed mainly to the stopping-in-transit privileges on sugar moving over the Barge Line through Memphis, Tenn., Birmingham, Ala., and Holt, Ala. The charges are as follows:

## For Stopping in Transit:

When Re-shipment From Transit Point Is Made Within	But Not Within	(Cents per 100 Lb.) Transit Charge
60 days	60 days	1 1/4
90 days	90 days	3 1/4
120 days	120 days	5 1/4
150 days	150 days	7 1/4
180 days	180 days	9 1/4
7 months	7 months	12 1/4
8 months	8 months	15 1/4
9 months	9 months	18 1/4
10 months	10 months	21 1/4
11 months	11 months	24 1/4
12 months	12 months	27 1/4

Mr. Maidens pointed out that sugar and other commodities moving over the Barge Line may be stored in transit in any warehouse at Cairo and East St. Louis, Ill., and Vicksburg, Miss., but when moving via Memphis, Birmingham or Holt the service rendered is referred to as stopping-in-transit and applies only in connection with freight which is held in possession of the Inland Waterways Corporation.

"While complainant contends," the Examiner said, "that the alleged unfair practices should be remedied by either one of three methods, (1) by a broadening of the transit arrangements so that shippers may have the option of storing in the facilities of either defendant or the privately owned warehouses; (2) by requiring defendant to increase its storage charges to a level comparable with those observed by the privately owned warehouse; or (3) by requiring defendant to cease and desist from the warehouse business entirely, the evidence indicates that complainant's members are primarily interested in the second method.

"Testimony on behalf of complainant's members was to the effect that they could not exist on the low charges now maintained by defendant, and that such charges were resulting in a serious loss of business to them."

Some testimony was introduced on behalf of the association concerning all-

rail rates from New Orleans to Nashville and Memphis, Mr. Maidens said. The Louisville & Nashville Railroad contended, he said, that the storage privileges now prevailing at Memphis on shipments moving over the Barge Line, together with the differential the Barge Line enjoys under the all-rail rates, resulted in the latter route having become more desirable than the all-rail route.

"Such testimony," he said, "is not very helpful in the determination of the issues here, and the question as to whether the rail-barge rates on sugar

Statement by  
R. W. Dietrich

IN response to a telegram from *Distribution and Warehousing* asking for comment on Examiner Maidens' proposed report, R. W. Dietrich, New Orleans, chairman of the American Warehousemen's Association committee leading the fight against the Inland Waterways Corporation's practices, replied:

"Pending a final decision by the Commission it would not be in order for us to state at this time what our next proceeding would be in the event that the Commission finally decides against us.

"It would seem, however, to be the height of injustice for a common carrier operated by money from the United States Treasury, contributed in part by the warehousing industry, to be permitted to continue this gross form of discrimination and prejudice against the warehousing industry because warehousemen, although acting for shippers, have not the status of shippers.

"I believe the Commission will ultimately find that the warehousemen are entitled to the same measure of relief and protection as shippers, regardless of the highly improper use of tax money paid by warehousemen indirectly as a means of confiscating their business, by an agency of the Government."

held in storage should be differentially under the all-rail rates, and if so, how much under, is now before the Commission in another proceeding."

The report continued:

"The Imperial Sugar Company of Sugar Land, Texas, which distributes in the territory west of the Mississippi River and east of the Rocky Mountains by all-rail movement, also contends that it is at a disadvantage as a result of the storage service granted by defendant at Memphis to those who use the Barge Line. The aforesaid company carries what is known as 'transit stocks' at Little Rock and other points in Arkansas, for which the storage

charges range from 6 to 8 cents for periods up to 60 days, and from 2 to 3 cents for each additional 30 days, while the refiners at New Orleans who use the Barge Line service to Memphis and rail beyond, may dispose of their sugar in the vicinity of Little Rock on much lower charges, due to the very low storage rates maintained by the defendant. The Imperial Sugar Company is not in a position to avail itself of the services of the Barge Line and feels that the disadvantage, in so far as it is concerned, should be removed by requiring the Barge Line to increase its storage charges to the level of those observed by the privately-owned warehouses.

"Defendant points out that the granting of transit privileges is a long established practice and, like the railroads who confine their operations to warehouses on their tracks, it has confined its transit arrangements to warehouses on the river. The Barge Line expressed a willingness to extend the application of the sugar transit privileges to independent warehouses, if any such existed on the river banks at Memphis, Birmingham or Holt. Since the Barge Line could not reasonably be expected to absorb the switching or drayage charges necessary to the placing of sugar at inland warehouses, its contention that no discrimination in this respect exists has considerable merit.

"The Mississippi barges each carry from 50 to 75 and the Warrior 17 to 20 carloads of sugar, those units being fastened in tow formation and propelled by a separate tow boat. Shippers in the New Orleans district frequently load solid barges of sugar consigned to themselves at the ports of interchange, selling as much as possible during the 15 to 20 days en route, and detaining the remainder at the port for future disposition. In the absence of suitable empty cars or final shipping instructions, a large portion of the sugar must be temporarily placed in the terminal and subsequently handled to the cars, or, if for local delivery, placed in a convenient location for acceptance by drays. It is, therefore, essential that ample room under cover be afforded for the carrying on of such interchange, but by reason of the necessity for breaking bulk at the port and accomplishing both disposition and interchange, it is represented as being perfectly normal to permit detention for the sugar beyond the usual 48-hour free time period.

"The Municipal River Terminal at Memphis was leased on Sept. 20, 1929, by the Barge Line from the City of Memphis for a period of ten years at an annual rental of \$72,100, payable monthly. The number of square feet under the roof of the terminal at that point is 73,650, of which approximately one-third is required for handling the normal local and through traffic. The various mechanical devices used for unloading the barges and loading into cars, or for piling in the warehouses, are described by defendant. The average labor cost for moving the sugar from barge direct to car or to stock pile in the warehouses is 40 cents per net ton, while the average cost of labor for han-

dling sugar from the warehouses to the cars is 15.8 cents per net ton, thus making the total cost 55.8 cents. The average cost of handling all freight, which includes all moves made within the terminal, such as loading and unloading barges and cars, handling between barges and cars, handling from barge to warehouse and warehouse to car, for the period January to July, 1930, both inclusive, was 57.18 cents per net ton. The difference between the average cost for handling sugar and that of handling all freight is due to the fact that the former arrives in much greater volume and the packages are much more uniform than the latter. The customary sugar loading of the barges reaching Memphis ranged from 20,000 to 30,000 bags each.

"The terminal of the barge line at Birmingham, which employs all modern equipment for unloading barges, loading to cars, stacking and storing, was constructed at a cost of \$175,000. That point is on the upper reach of the Black Warrior River about 25 miles north of Birmingham, and, with the exception of a few coal mining operations, there is no industrial development nearer than 20 miles. The number of square feet available in that terminal is 23,565, the average labor cost of handling sugar from barges to car or stock pile 45 cents per net ton, and the average labor cost for handling sugar from warehouses to the car 17 cents per net ton, making a total of 62 cents. The average cost of handling all freight from January to July, 1930, both inclusive, which included all moves within the terminal, was 62.68 cents. The sugar loading of the barges reaching Birmingham was from 7000 to 8000 bags each. Prior to the completion of the above terminal there was no space under cover in which to place the freight when car and barge failed to meet, and the freight was therefore held in the barges or cars, or both, which resulted in delay both to equipment and freight.

"The terminal at Holt, which is several miles north of Tuscaloosa, Ala., is on leased property and was erected at a cost of \$25,000. The space available in the aforesaid terminal is 10,500 sq. ft., and the equipment is not as modern as the two previously described. While sugar is one of the important commodities moving to this terminal, the same was primarily designed to handle cotton, pipe, sulphur and other large package and bulk freight. The average cost of handling sugar from barge to stock pile or car is 40 cents per net ton and the average cost of labor for handling from warehouse to the car 16.3 cents per net ton, making a total of 56.3 cents. The average cost for handling all freight, which includes all moves within the terminal, was 64.04 cents per net ton. The barge load quantities of sugar reaching Holt are the same as those reaching Birmingham.

"In each of the above instances defendant compares only the average cost of labor from terminal to car of 15.8 cents at Memphis, 17 cents at Birmingham and 16.3 cents at Holt, with the transit charge of 25 cents per net ton

for the first period sugar is temporarily detained, contending that the same more than covers any possible out-of-pocket cost. It is defendant's view that other indirect outlay, such as annual rental, insurance, and maintenance, remain fixed whether the sugar is detained or not, and should not be apportioned to the cost of stopping-in-transit. Regardless of defendant's contention in this respect, an equitable part of the outlay would be apportionable to the storage service under any formula seeking to establish the adequacy of the storage rates.

"Defendant represents that its transit arrangements have been responsible for considerable storage which would not have come to it in the absence of such an attraction. The production of sugar by refineries is continuous and under the present conditions they may load barges to capacity, retaining ownership in themselves and permitting the sugar to go forward by the slow barge service. If not all sold on arrival at the port of interchange, the remainder may be temporarily detained for subsequent sale and reshipment. The Barge Line service is held forth to the shipping public as affording a cheaper means of transportation, and if the transit arrangement were to be denied or a further penalty placed on the movement, defendant states that it would not only lose the transit tonnage and that which is sold en route, but refiners would find it unprofitable to use the water route.

"The total amount of sugar handled from January to September, 1930, on the lower Mississippi service was 234,462 tons, and on the Warrior service 45,485 tons. During the period from Dec. 23, 1928, to Aug. 9, 1930, inclusive, 38,825 tons of sugar were stored at Memphis, on which \$4,058.76 was collected, or an average of 10.5 cents per ton. From Aug. 10, 1930, to Sept. 10, 1930, inclusive, 10 tons were stored at Memphis on which \$2.44, or an average of 25 cents per ton storage, was collected.

"The terminal at Birmingham was completed in April, 1930, although part of the same was used in 1929, and defendant shows that up to Aug. 9, 1930, 30,289 tons of sugar were stored on which \$2,111.65 was collected, or an average of 7 cents per ton. From Aug. 10 to Sept. 10, 1930, there were 120 tons stored at that point on which \$29.99 was collected, or an average of 25 cents per ton. Those figures do not include tonnage handled locally.

"The cost of labor at Memphis and Holt was shown to be 30 cents per hour at each point, and at Birmingham 35 cents per hour.

"A representative list of destinations to which sugar is shipped from the above ports include points in Arkansas, Tennessee, Missouri, Oklahoma, Alabama, Georgia, Mississippi, Ohio and Kentucky.

"Defendant describes its activities as that of a common carrier performing a transit service which is merely incidental, but peculiarly adapted to its transportation service. Defendant stated that the transit situation was being carefully watched, and, if experience at any time demonstrates that greater charges can or should be made and still

hold the traffic, it will be its purpose to do so, but not in any sense to show a profit on the detention operation for the reason that it is not in the warehouse business.

"Complainant argues that, inasmuch as defendant does not base its transit charge on any cost incurred in storage, it must be concluded that it is performing a storage service free, in violation of section 1, paragraphs 5 and 6 of the Interstate Commerce Act, which makes it the duty of common carriers to establish just and reasonable charges for the transportation of property. If the service performed is not transportation, complainant contends that defendant is going beyond its lawful duty as a carrier. The practice complained of is represented by complainant as being in violation of the spirit if not the actual letter of section 2, because it constitutes a virtual device or at least a concession by which the shipper escapes the expense 'incidental to through transportation' which should rightly be borne by him. The aforesaid practice is further represented as being in violation of the Act in that it creates undue preference of shippers who are in a position to use defendant's facilities to the undue prejudice of those who cannot use such facilities, and that it amounts to a direct burden on other traffic.

"Complainant refers to *McCormick Warehouse Co. v. Pennsylvania R. Co.*, 148 I. C. C. 299, and points out that although the tariffs of the defendant provided that the facilities of the Terminal Warehouse Company, at Baltimore, Md., would be regarded as a railroad station, the Commission found that the said Terminal Warehouse Company was being unduly preferred. In the original report in that case, 95 I. C. C. 301, the Commission said 'when consideration is given to the assertion of complainant that it is not a shipper or receiver of freight, the conclusion must be reached that it has no relation with a common carrier which could result in a discrimination against it in violation of the Interstate Commerce Act.' The discrimination there forbidden is in respect of transportation.

"In 148 I. C. C. 299, it was the Commission's view that the terminal, even though not the owner of the goods, has been given dominion over such goods for transportation purposes and that accordingly for transportation purposes it should be decreed to be consignee of shipments from and consignee of shipments to its warehouse. In that case the shipments to complainant's warehouse were handled in substantially the same manner as those of the terminal warehouse. From the foregoing it may be observed that the facts in the instant case are entirely different to those in the McCormick case.

"Defendant argues that there is here no controversy between a shipper and a carrier in respect to the transportation service rendered and that the Act imposes a duty on the part of the carrier only to the shipper whose goods are being transported, and no obligation in respect of third persons not directly concerned with transportation service. De-



fendant further argues that the matters in this proceeding are beyond the jurisdiction of the Commission because in any event its power under section 15 (3) over charges assessed for water-and-rail transportation is specifically limited to maximum charges. They further represent that the Commission's lack of power in that respect can not be overcome by an order forbidding the Barge Line to afford the storage-in-transit privilege, for to do so would be prescribing a maximum service to be accorded for a given charge. The prescription of a maximum

service for a given charge would in defendant's opinion be equivalent to the prescription of a minimum rate for a given service. If the Commission is without the power to do the latter, defendant contends that it naturally follows that it is without the power to do the former."

Under the rules of the Commission, both the American Warehousemen's Association and the Inland Waterways Corporation, as well as the interveners in the case, will have the right to file exceptions to Examiner Maidens' report.

These exceptions, if any are filed, must be received by the Commission within 20 days after service of the report on parties to the case. As the report was served April 9, the exceptions were to be due not later than April 29.

Following receipt of these exceptions the case will be assigned for argument before either the full Commission or a division of three or four members. This should be done some time during the summer, with the probability that the final decision will be forthcoming this fall.

### ***Savannah Sugar Refining Corporation, an Intervener in the Warehouse Case, Assails Barge Lines' Rate Differential***

SUPPLEMENTING his statement, "boxed" on page 11, expressing belief that the Interstate Commerce Commission would ultimately grant, to warehousing, relief in the waterways situation, R. W. Dietrich, the storage industry's spokesman in the case, announced on April 10 that counsel for the American Warehousemen's Association would file, within twenty days as required by I. C. C. procedure, exceptions to the proposed report of Examiner Maidens.

"This report is not tantamount to a final decision," Mr. Dietrich pointed out, "because the Commission may not accept the report in the face of the exceptions and arguments of our counsel, as well as the opinions of the individual members of the Commission, of the evidence in the case."

Mr. Dietrich called attention to the pending case of the Savannah Sugar Refining Corporation against the Inland Waterways Corporation (Docket 23836). It will be recalled that at the Memphis hearing, last September, on warehousing's complaint, C. R. Hillyer, attorney for the Savannah corporation, was an intervener on the side of warehousing and cross-examined the Federal Barge Lines' lone witness, W. M. Hough, the barge agency's traffic manager.

"Docket 23836 traverses practically parallel lines with our case," according to Mr. Dietrich. "Briefly stated, the Savannah Sugar Refining Corporation is asking for the abolition of the 20 per cent differential now allowed to barge-rail sugar, and, in lieu thereof, the lowest all-rail rate in effect, which would automatically remove any advantage for shipment of sugar, via the barges, or storage in Barge Line warehouses."

The following statements in the brief filed with the I. C. C. by the Savannah corporation may, Mr. Dietrich comments, "be of some general interest":

"Section 3 of the Act here being administered prohibits as unlawful all rates of transportation that unduly prefer a locality, the people there located, and the traffic therefrom, and rates that

unjustly prejudice a locality, the people there located, or the traffic therefrom.

"The rates and services involved in the competitive movements consist of the rates on sugar from Savannah fixed by the Commission in Southeastern Sugar cases 132 I. C. C. 477, as reasonable, and also as properly related to rail rates from all competing shipping points for the ordinary rail movement of sugar without added privileges. The rates, privileges and services enjoyed by Savannah's competitors are the reduced through joint barge-rail rates applying from New Orleans and Mobile on the entire movement, with a storage privilege at the point of interchange between the boats and rails.

"Upon sugar stopped in transit the service rendered at the barge-rail rates consists of a movement via the Barge Line from New Orleans up the Mississippi River to Memphis, Tenn., where the sugar is stored in transit in a warehouse furnished by the Barge Line, and thence distributed via the rails of the rail defendants to the markets of the Southeast readily and easily reached from Memphis. Similar service also applies upon sugar transported from New Orleans and Mobile, Ala., up the Warrior River to the inland ports of Holt and Birmingham, Ala., where the sugar is stored in transit in warehouses furnished by the Government's Barge Line, and thence distributed via the rails of the rail defendants to the markets of the Southeast readily and easily reached from Holt and Birminghamport.

"... The complaint of the Savannah Refinery herewith raises a very simple issue indeed. The issue here presented is the application to sugar stored in transit on the barge-rail route of the barge-rail differential rates. These preferential rates are from 7 to 8 cents per 100 pounds less than the all-rail rates for the movement of sugar in the Southeast, duly fixed by the Commission as reasonable and fairly related under Section 3 of the Act to Regulate Commerce to the rates from Savannah. Southeastern Sugar Cases, 132 I. C. C. 477. It is developed herein that there

are no transportation, commercial, or other reasons for the application of said reduced rates to sugar stored in transit on the barge-rail routes.

"The simple issue thus plainly stated clears up much feigned uncertainty as to what Savannah is now presenting for the Commission's determination. In other words, we are not attacking in this case the so-called 80 per cent scale of barge-rail rates, but simply the application of said rates to such sugar as is stored in transit. Transit has been defined by the Supreme Court as 'suspended transportation.' Transit requires two independent handlings, and the regarding it as one shipment is a 'convenient fiction' (279 U. S. 768).

"In proof of the violation of Section 3 of the Act, however, we shall also deal with the conditions under which the Barge Line is operated upon the Warrior River, and call attention to all the preferences received by our competitors shipping sugar via the barge-rail routes from New Orleans and from Mobile. We shall show that by the admissions of the Barge Line, plus facts so plain that it has not even undertaken to deny them, all of the traffic upon the Warrior River is transported under the 80 per cent rates at a heavy loss to the Federal Treasury upon every ton of sugar it handles. This evidence, however, is not offered in this case to prove that the 80 per cent rates are a direct subsidy to our competitors where the movement is devoid of the transit privilege, although it does prove this very thing. Such evidence in this case is merely a collateral showing, and a very powerful one, to render it crystal clear that there is not the faintest excuse for applying these low 80 per cent rates upon sugar that is stored in transit.

"The question of the amount of the transit charge also need not become involved in the relief we are seeking. It is merely a stopping charge and not a storage charge as elsewhere herein pointed out. The amount of this charge is grotesque compared with commercial charges such as the public generally,

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# Supreme Court Hears Arguments in "Allowances" Situation

Merchants Warehouse  
Denies Rebates

By ROBERT C. McCLELLAN

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1163 National Press Building.

**C**OUNSEL for both sides presented arguments in the Supreme Court of the United States on April 21 in the case in which the land's highest tribunal is to decide the legality of commissions paid by the railroads to certain Philadelphia warehouses for the loading and unloading of carload package freight. Both the Interstate Commerce Commission and the Federal Court for the Eastern District of Pennsylvania ruled that the commissions amounted to "rebates" and were unjust and discriminatory as against competing warehousemen with whom the railroads had no such contracts.

The action was taken to the high Court by the Merchants Warehouse Co., with which the Pennsylvania Railroad had contracts of the kind complained of and against which both the Commission and the Federal Court decided. John W. Davis, one-time Democratic candidate for the Presidency, represented the Merchants in the Supreme Court. The Philadelphia Warehousing & Cold Storage Co. was represented by John J. Connelly, while J. Stanley Payne appeared for the Interstate Commerce Commission and John J. Hickey spoke for the Terminal Warehouse Co., one of the original complainants before the Commission.

**FIRST:** Are the contracts between the Pennsylvania Railroad and the Merchants Warehouse Co. for loading and unloading freight cars discriminatory and inhibited as such under the provisions of the Interstate Commerce Act?

**Second:** Does the loading and unloading of freight cars by the Merchants Warehouse Co. under its contracts with the Pennsylvania Railroad give it such dominion over the merchandise loaded or unloaded as to constitute it a shipper of such merchandise within the meaning of the Interstate Commerce Act?

**Third:** Does the payment by the Pennsylvania Railroad to the Merchants Warehouse Co. of the agreed compensation for the services rendered by it in performing its obligations under the contracts aforesaid, constitute a rebate within the meaning of the Interstate Commerce Act?

**Fourth:** Are the services rendered by the Merchants Warehouse Co. under the terms of said contracts a transportation service within the meaning of the Interstate Commerce Act?

In answer to the first of these questions, counsel for the Merchants company said:

"We submit there is nothing in the

statute that deprives the carrier of the right to hire whomsoever it sees fit to render it a service. Undoubtedly when it hires one man and does not hire another it discriminates against the man it did not hire but that is not the kind of discrimination and preference which is forbidden by statute."

Several cases, including the celebrated "Peavey Case" were cited by the appellants to bear out their view of unjust discrimination within the meaning of the law.

The second and probably the most important of the four questions hinged on the further question of whether or not the contract warehouse was the consignor or consignee of the loaded or unloaded merchandise it handled. On this subject, the Commission found that "the contract warehouses, even though not the owners of the goods, having been given dominion over such goods for transportation purposes, accordingly for transportation purposes they should be deemed the consignors of shipments from or consignees of shipments to their warehouses."

In rebuttal, counsel for the Merchants company told the Supreme Court:

"The adjudication shows on its face

Mr. Davis opened the proceedings with a rough sketch of the history of the system. It came into being, he said, at least forty-four years ago to meet the competition of water-borne commerce which always loaded and unloaded its own freight. The Pennsylvania Railroad, the Court was told, organized the Merchants company in 1887, at that time owning 51 per cent of the stock, although today it owns only 20 per cent of it.

Throughout the history of the case, as well as in the Supreme Court, the contract warehouses have contended that the railroad was free to hire anyone it pleased to act as its agents in the handling of the freight, and make payments for the transportation service rendered. At the same time, they contended, the road was under no obligation to hire others in the territory, who, in the language of Attorney Davis, are "simply less fortunate and have no remedy at law."

On the other hand, those complaining against the practice held that the contract warehouses are not, under the law, agents of the railroad, but are in reality shippers (consignors and consignees) within the meaning of the Interstate Commerce Act. Consequently they charged that the commissions paid are "rebates" which give them an undue advantage over competitors.

It was contended by the appellant that but four questions were involved:

that the warehouse company was not the owner of the merchandise loaded or unloaded from the freight cars. It is undisputed that the bills of lading for inbound freight were issued by a named consignor to a named consignee in care of the Merchants Warehouse Co. at one of the ten warehouses which would be most convenient for unloading the cars for the purpose of making delivery to the consignees."

The same counsel expressed the belief that the warehouse company is the carrier's agent to make delivery of the merchandise to the real consignee in fulfillment of its contract of carriage. To call the warehouse company under such circumstances a consignee or consignor, they contended, was an "unreasonable and unjustifiable construction of the contracts (between the appellant and the railroad) and of the undisputed evidence as to the manner of performing the same."

"Even if the warehouse had been the owner of the merchandise shipped it would have been entitled to reasonable compensation for any transportation services rendered to the carrier in handling the same," counsel for the plaintiff contended, adding:

"In the present case the reasonableness of the compensation was not questioned, possibly because the Commission was more interested in establishing that the warehouse company must be treated as a consignor or consignee of the property handled as a basis for the contention that to pay one shipper for services and not pay another shipper for similar services was an illegal discrimination. This is more or less speculation, because the definition by the Commission of who is a consignor or consignee is not well founded or a reasonable inference or deduction from the undisputed evidence in the case."

On the subject of the third question, the Commission found:

"The record disclosed that these allowances are nothing more than a device to attempt to lend legality to the payment of rebates to the contract warehouses."

In answer, counsel for the appealing firm pointed out that there is no evidence of any kind that the payment was made to the warehouse company out of any freight rates paid to the carrier for the transportation of the merchandise handled by the warehouse company. They charged that the Commission justified the use of the word 'rebate' by finding that the warehouse company was either the consignor or the consignee of goods handled.

"We submit," they said, "that such reasoning is far from satisfactory. It falls far short of establishing a rebate; nor do we think it was ever intended to establish the fact that the payments for the services incident to loading and unloading of cars were in fact rebates."

In arguing the fourth question, attorneys for the appellant maintained that the services rendered by the Merchants company under the contracts with the railroad were and are a transportation service. They told the Court that the Commission has not denied that contention.

"It being the obligation and duty of the carrier to load and unload package freight carried at carload rates at the stations in Philadelphia," they argued, "whether or not it rendered these services by its regular staff of employees on its payroll or hired the warehouse company to do it for them, can make no possible difference."

Another argument advanced was that the railroad in its tariffs made provision for the loading and unloading of the freight in question and was free, in the event it did not care to do the work itself, to hire an "outside instrumentality" to handle it. The inference was that if the warehouse company in the case was a consignor or consignee of the goods it handled the railroad would be in the same position if it elected to do the work now being handled by the warehouse firm.

#### Rebating Alleged

Mr. Payne, counsel for the Commission, dwelt at some length on the legal relationship between the Pennsylvania Railroad (or the other roads for that matter) and the contract warehouses. He charged that such relationship was more in the nature of a forwarding company for the reason that an agent of the railroad is prohibited from receiving shipments at carload rates and distributing the shipment to ultimate consignees in less than carload lots, a practice, he charged against the Merchants company. The ability to do this, the attorney said, enabled the contract warehouse to quote better warehousing prices since it could take advantage of its "rebate," while the shipper could use the warehouse to store large shipments and parcel it out to different consignees.

He called the attention of the Court to the fact that if the same carload shipment was made to a regular station, the entire load would be charged at less

than car load rates if any part of it was consigned to more than the one consignee. The complaining warehouses perform the same service as the contract warehouses yet receive no payment whatever from the railroad, he contended.

Attorney Hickey charged that the contracts between the railroads and the warehouses were "traffic buying agreements that have nothing to do with service. It is a subsidy of the whole business of warehousing," he continued, "and not a payment for loading and unloading freight." He informed the Court that the "subsidized warehouses have a complete monopoly on Philadelphia's big flour business."

Attorney Connelly told the Court that his client, the Philadelphia Warehousing & Cold Storage Co., also a contract warehouse, was in a different position from others in its class for the reason that 99 per cent of the products it handled in this way were dairy products, which required different treatment and more service than ordinary freight. This fact, he said, required his client to render a 24-hour service the year round because of the perishability of the goods it handled.

When Mr. Davis arose for a rebuttal, Justice Brandeis fired the question: "Aren't you a forwarding and receiving agent?"—to which the attorney replied instantly, "We are not." He explained that a forwarding and receiving agent is made an agent for that purpose.

The Federal Government, the Interstate Commerce Commission, James Gallagher, the Northeastern Warehouse Co., Walter A. Bailey, and the Terminal Warehouse Co., were named as defendants in the Supreme Court case. The contract warehouses used by the Baltimore & Ohio and the Philadelphia & Reading in Philadelphia were referred to infrequently, although their status is involved in the proceedings.

### Miami Company Accords Refrigerator Service as a Side Line

REFRIGERATOR freight service is a side line which the Leonard Bros. Transfer & Storage Co., Inc., Miami, has developed in order to keep its equipment in use and its men busy during otherwise idle periods. This new business is carried on under the incorporate name of L. & L. Freight Lines, Inc., operating under a State Railroad Commission certificate and serving Florida's eastern coast.

A truck leaves Miami, the southern terminal of the line, every day except Sunday for Jacksonville, the northern terminal, and similarly a vehicle leaves Jacksonville for Miami. Transportation representatives have been placed in West Palm Beach, Fort Pierce, Vero Beach, Melbourne, Cocoa, Titusville and Daytona, and pick-up and delivery are made at other points, where connections are made with other transfer and freight lines.

The service, started last December 1,

has been a paying proposition, according to officers of the Leonard firm, compelling an increase in the number of trucks operated and expansion of service from a twice-a-week to a daily operation. During the first three months, when the trucks ran twice a week, the distance covered totalled 40,474 miles and 976,099 pounds of freight were handled. Payroll for the three-month

period amounted to \$4,953.26, and taxes paid the State aggregated \$1,700.24.

Income resulting from the operation of this service during the first three months totalled \$10,796.20.

Freight units comprise a traction car, a semi-trailer, a refrigerated car and a four-wheel trailer. Fruit and vegetable growers, meat packers and tire distributors are using the service.



# Occupancy in 1930 Compared Favorably with Normal 1928

Three Years Contrasted, Based on Government Statistics

By KENT B. STILES

THE Government's revised (final) merchandise warehouse occupancy figures for last December completed the statistics for 1930 and make it possible now to contrast 1930 with 1929 and 1928, and the comparisons indicate a smaller occupancy, for the entire country, in 1930 than in 1929—something which is not surprising in view of the depression last year.

If 1928, however, can rightly be regarded as a normal year, then it is possible to interpret that the industry's position has been improved, for the average occupancy was higher in 1930 than in 1928.

In other words, while 1930 compares unfavorably with the boom-time year of 1929, it compares favorably with the twelve-months'

period which preceded the inflation.

Average occupancy for the three years, for the entire country, as based on figures supplied by warehouse executives to the Department of Commerce, was as follows:

1928	1929	1930
68.1%	72.2%	69.9%

Thus the average occupancy in 1930 was 1.8 per cent better than in 1928, though 2.3 per cent lower than in 1929.

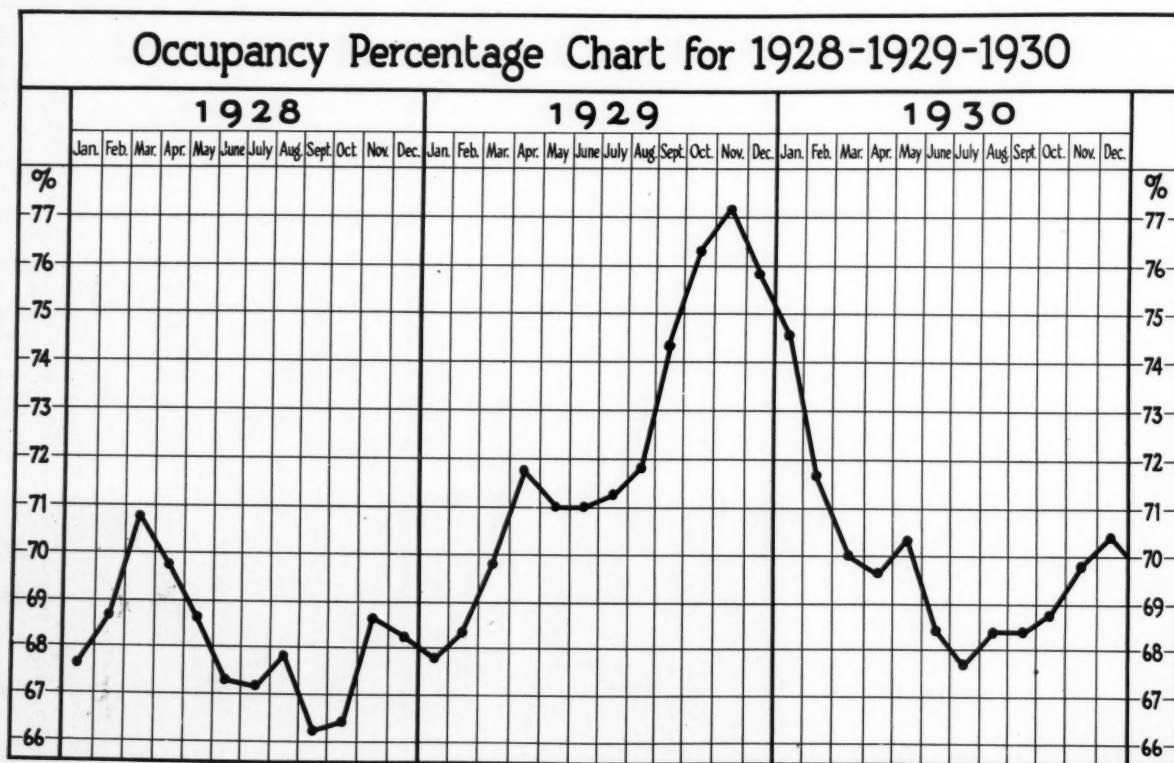
A study of the graph below shows clearly how the era of the 1929 inflation had its favorable effect on warehouse occupancy—and how the stock market debacle in November of that year adversely influenced occupancy during the ensuing few months.

The occupancy mark at the beginning of the boom year was (final day of January) 67.9 per cent. Through February and March the curve ascended to 71.8 on April 30. Then, after a recession extending through May, June and July, the upward movement was uninterrupted until Nov. 30, about the time of Wall Street's collapse.

Down went the curve steadily, with a temporary halt in May, until, on July 30, the recession had arrived at 67.8—the lowest level in twenty-one months, or since October of 1928.

July of last year brought a turning point, the curve again ascending until, on the final day of 1930, the mark was 70.4 per cent.

It will be noted that at Decem-





ber, 1930, the curve once more begins to move downward. The country's average occupancy on Jan. 30 of the new year was reported at 68.9 per cent, and by Feb. 30 it had dropped to 67.9. This last figure, subject to revision, is almost at the low level of July 30 of last year. In other words, the gain from last July to the end of the year has been virtually lost since the beginning of the present year.

**T**URNING now to tonnage, the figures show that a larger percentage of goods, out of the total volume of merchandise arriving at the reporting warehouses, went into storage in 1930 than in either 1929 or 1928.

In 1930 6,765,349 tons were reported as having arrived at the warehouses which cooperated with the Government by supplying figures monthly. Of this total, 5,338,690 tons, of 78.9 per cent, entered storage, the balance being delivered on arrival.

The percentage in 1929 was 4.4

Table  
No. 1

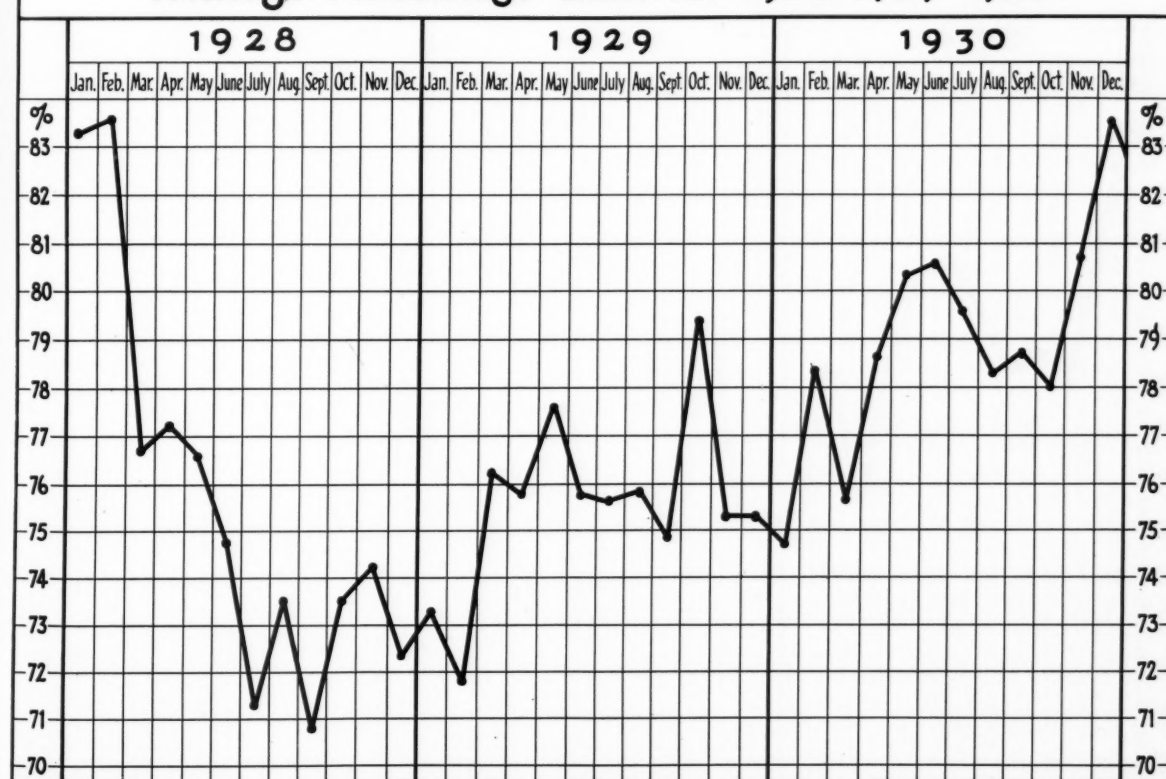
Occupancy  
and  
Tonnage

1928, 1929 and  
1930

Entire Country

	OCCUPANCY			TONNAGE								
	Percentage Occupied of Available Space			Total Volume Arriving			Total Entering Storage			Percentage Entering Storage		
	1928	1929	1930	1928	1929	1930	1928	1929	1930	1928	1929	1930
January.....	67.6	67.9	74.6	525,776	628,291	586,643	438,115	460,090	439,100	83.3	73.2	74.8
February.....	68.7	68.3	71.7	602,004	652,680	501,611	503,295	468,557	393,136	83.6	71.8	78.4
March.....	70.8	69.9	70.0	739,482	724,600	566,505	567,849	551,208	428,934	76.8	76.1	75.7
April.....	69.8	71.8	69.7	680,341	776,755	575,615	525,965	589,502	453,965	77.3	75.9	78.7
May.....	68.6	71.0	70.3	556,835	738,177	626,866	427,102	572,827	503,661	76.7	77.6	80.3
June.....	67.2	71.0	68.4	666,961	659,595	529,400	498,759	499,584	425,995	74.8	75.7	80.5
July.....	67.1	71.2	67.8	623,564	689,816	548,262	444,571	521,362	437,109	71.3	75.6	79.7
August.....	67.9	71.9	68.4	683,948	730,178	506,482	502,418	553,737	396,692	73.5	75.8	78.3
September.....	66.1	74.3	68.4	635,524	722,914	619,777	450,554	541,566	487,974	70.9	74.9	78.7
October.....	66.4	76.3	68.8	752,636	949,785	643,041	553,289	753,848	501,315	73.5	79.4	78.0
November.....	68.6	77.1	69.9	711,534	744,477	578,765	527,529	559,718	468,220	74.1	75.2	80.9
December.....	68.1	75.9	70.4	645,093	599,891	482,382	465,087	451,178	403,459	72.1	75.2	83.6
Total.....	.....	.....	.....	7,823,698	8,617,159	6,765,349	5,904,533	6,423,177	5,338,690	75.5	74.5	78.9
Average.....	68.1	72.2	.....	651,975	718,097	563,779	492,044	535,265	444,891	75.5	74.5	78.9

Tonnage Percentage Chart for 1928-1929-1930



**Table No. 2**  
**Occupancy**  
**Percentages,**  
**1928—1929—1930,**  
**by States**

<sup>a</sup> Includes Maine and New Hampshire.  
<sup>b</sup> Includes Iowa.  
<sup>c</sup> Includes Kansas.  
<sup>d</sup> Includes Arizona, Utah, Nevada and New Mexico.  
<sup>e</sup> Does not include Arizona.  
<sup>f</sup> Includes Oregon.  
<sup>g</sup> Includes New Hampshire.  
<sup>h</sup> Includes Maine.  
<sup>i</sup> Georgia 66.5; Florida 63.2.  
<sup>j</sup> Does not include Nevada.

less. In that year the total tonnage was reported at 8,617,159 tons, of which 6,423,177 tons, of 74.5 per cent, entered storage, the balance being delivered on arrival.

In 1928 the percentage of goods entering storage, out of total arriving volume, was 75.5, or 1 per cent better than in the following year, but 3.4 per cent smaller than in 1930. In 1928, 7,823,698 tons arrived at the reporting warehouses, of which volume 5,904,533 tons entered storage, the balance being delivered on arrival.

It will be noted in Table No. 1 on page 17 that the mark 83.6 as the percentage of goods entering storage last December was not only 8.8 per cent higher than during the first month of the same year, but also it tied the record, as the highest previous percentage also was 83.6—reported in February of 1928, the second month of the compilation of these statistics.

It will be noted also, in the graph, that this percentage curve starts a downward movement from December of 1930.

In January of this year 475,358 tons arrived at the reporting warehouses. Of this volume, 382,986 tons, or 80.1 per cent, entered storage, the balance being delivered on arrival.

In February of this year 423,794 tons arrived at the reporting warehouses. Of this volume, 338,848 tons, or 80.0 per cent, entered storage, the balance being delivered on arrival. February's 80.0 is the lowest since last October.

**Lbs. Per Sq. Ft.**

ON page 20 is published a table which contains the final occupancy and tonnage figures for

	January			February			March		
	1928	1929	1930	1928	1929	1930	1928	1929	1930
Massachusetts-Vermont.....	42.3a	48.1	49.4	46.1a	48.0	52.1	45.8a	48.9	51.0g
Vermont-New Hampshire.....									
Massachusetts.....									
Connecticut-Rhode Island.....	71.1	63.3	53.3	59.1	63.3	54.0	55.7	66.6	57.7
Connecticut.....									
Rhode Island.....									
New York Metropolitan District.....	66.8	55.4	80.6	72.1	55.3	71.4	79.3	64.7	69.7
Brooklyn.....	59.6	41.7	80.6	68.2	41.3	64.1	78.5	58.2	66.8
Manhattan.....	79.8	67.0	82.5	78.3	67.6	79.6	78.2	66.8	74.9
Nearby N. J. and Others.....	71.8	72.7	79.7	75.5	72.5	79.4	81.6	75.0	70.1
Nearby New Jersey.....									
All Other.....									
New York State.....	63.0	51.9	78.9	69.2	51.6	69.5	76.7	61.6	70.0
New York State except Metropolitan District.....									
New Jersey State.....	70.0	72.6	79.5	75.7	73.6	78.3	81.4	76.3	68.1
New Jersey State except Metropolitan District.....									
Pennsylvania.....	66.5	69.5	75.8	66.6	72.6	64.3	72.1	72.0	71.2
Ohio.....	82.5	86.4	91.7	76.4	85.6	84.1	73.8	88.0	81.1
Indiana.....	73.7	74.0	81.7	74.8	77.3	78.0	75.6	80.8	78.0
Illinois.....	76.7	75.7	82.9	76.5	76.6	80.4	74.9	78.2	78.7
Illinois, except Chicago.....									
Chicago.....	77.6	76.0	84.7	77.8	77.0	83.1	76.7	78.7	80.3
Michigan.....	69.1	67.6	70.6	71.3	69.5	70.9	73.8	66.0	73.2
Wisconsin.....	77.5	84.2	78.3	80.7	85.0	78.2	86.2	85.2	79.4
Minnesota.....	71.9b	80.8	80.9	73.2	80.7	78.0	75.3	79.0	71.9
Minnesota, except Minneapolis and St. Paul.....									
Minneapolis and St. Paul.....	72.2	81.4	80.5	73.8	81.7	78.5	76.2	79.8	72.2
Iowa.....		71.4	80.4	74.0	72.3	79.0	78.0	68.8	73.6
Missouri.....	76.6	80.8	83.9	78.2	86.2	80.9	74.9	82.4	78.2
Missouri except St. Louis.....									
St. Louis.....	60.5	77.1	75.9	67.3	84.5	77.4	70.1	83.1	76.4
North and South Dakota.....	80.0	93.9	93.1	79.0	93.8	77.7	75.2	93.7	81.2
North Dakota.....									
South Dakota.....									
Nebraska.....	80.3c	81.1	82.3	79.4	75.4	77.3	72.7	74.2	69.5
Kansas.....		78.3	80.4	78.8	82.9	77.9	78.9	83.0	82.0
Delaware, Maryland, and District of Columbia.....	60.6	51.3	58.3	58.6	54.7	64.3	61.2	53.4	69.8
Delaware and Maryland.....									
District of Columbia.....									
Virginia and West Virginia.....	72.0	68.6	70.2	69.1	69.1	87.6	69.7	69.3	89.0
Virginia.....									
West Virginia.....									
North and South Carolina.....	56.4	68.9	71.8	59.8	64.3	70.4	63.5	65.1	71.2
Georgia and Florida.....	71.4	83.1	73.4	71.2	82.7	74.0	71.4	77.8	65.7
Kentucky and Tennessee.....	73.2	76.0	69.2	78.5	74.3	68.4	66.7	74.6	59.6
Alabama and Mississippi.....	82.1	83.4	66.9	82.4	84.5	69.4	78.4	77.5	67.9
Arkansas, Louisiana and Oklahoma.....	56.3	72.7	57.1	58.2	82.9	60.6	57.6	79.8	64.5
Arkansas.....									
Louisiana.....									
Oklahoma.....									
Texas.....	79.3	86.4	85.9	64.3	86.6	77.2	52.8	78.1	54.2
Idaho, Wyoming, Montana.....	71.7d	71.1	92.6	54.3	73.9	76.8	71.6	74.9	75.9
Idaho, Wyoming.....									
Montana.....									
Arizona, Utah, Nevada, New Mexico.....		77.1	78.4	75.5	80.7	72.0	76.6	77.0	78.0
Arizona, New Mexico.....									
Utah.....									
Colorado.....	74.5	73.4	76.2	78.3	76.2	72.2	76.5	75.3	68.2
Washington.....	60.2f	72.9	71.1	54.3	70.0	76.7	55.3	64.6	73.8
Oregon.....		66.5	68.5	68.9	66.5	67.1	70.0	66.7	69.7
California.....	70.3	76.9	72.4	70.7	73.1	71.0	72.4	76.1	73.6
Average for entire country.....	67.6	67.7	74.6	68.7	68.3	71.7	70.8	69.9	70.0
Warehouses reporting.....	1085	1229	1321	1336	1227	1334	1328	1221	1478

March  
1929 1930  
3.9 51.0  
6 57.7  
7 69.7  
2 66.8  
8 74.9  
0 70.1  
6 70.0  
3 68.1  
0 71.2  
0 81.1  
8 78.0  
2 78.7  
7 80.3  
0 73.2  
7 79.4  
0 71.9  
72.2  
73.6  
78.2  
76.4  
81.2  
69.5  
82.0  
69.8  
89.0  
71.2  
65.7  
59.6  
67.9  
64.5  
54.2  
75.9  
78.0  
68.2  
73.8  
73.6  
70.0  
1478

April			May			June			July			August			September			October			November			December		
1928	1929	1930	1928	1929	1930	1928	1929	1930	1928	1929	1930	1928	1929	1930	1928	1929	1930	1928	1929	1930	1928	1929	1930	1928	1929	1930
44.8a	50.1	50.6	42.1	52.1	50.7a	49.7	52.6	52.8a	49.3	56.8	56.6a	52.5	57.5	.....	51.2	55.3	.....	59.8	54.3	.....	51.1	52.8	.....	50.0	50.8	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	75.0a	.....	53.2	.....	.....	64.6	.....	.....	86.2	.....	.....	.....	91.8
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	57.3	.....	24.2	.....	.....	52.7	.....	.....	51.4	.....	.....	.....	54.7
52.2	65.7	59.3	46.2	65.9	55.5	54.1	65.9	50.9	56.6	59.1	53.6	54.0	58.7	.....	52.6	61.0	.....	57.0	59.5	.....	55.6	55.9	.....	61.6	59.9	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	63.9	.....	54.9	.....	.....	62.6	.....	.....	60.0	.....	.....	.....	59.4
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	45.8	.....	61.6	.....	.....	49.6	.....	.....	49.5	.....	.....	.....	64.7
80.5	76.5	67.9	80.7	76.4	72.3	78.3	78.3	66.6	76.2	78.9	64.5	72.5	75.3	64.5	64.1	84.3	64.0	60.4	82.1	62.1	60.4	84.2	62.9	58.6	83.5	64.7
80.3	79.1	63.8	80.7	78.3	72.1	77.7	80.9	66.1	75.9	80.1	64.1	67.5	71.7	62.7	53.0	76.9	61.3	48.9	76.5	60.8	46.9	86.2	59.2	43.5	86.4	60.6
77.7	68.8	76.0	78.7	69.9	75.8	78.4	70.8	71.0	79.8	75.8	69.8	78.4	74.9	67.1	77.8	88.1	65.8	76.8	84.9	66.5	76.9	78.2	70.2	76.9	78.9	71.4
82.4	76.8	67.0	82.0	77.7	68.0	79.3	78.5	60.8	74.6	78.7	57.0	77.6	82.1	.....	75.7	82.2	.....	71.0	80.4	.....	74.6	84.6	.....	74.4	81.9	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	66.5	.....	64.5	.....	.....	59.1	.....	.....	60.1	.....	.....	.....	65.4
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	47.8	.....	42.9	.....	.....	41.0	.....	.....	45.0	.....	.....	.....	43.6
77.8	74.3	68.6	78.1	74.3	73.5	77.0	76.6	67.8	76.0	77.7	66.8	70.3	72.1	.....	60.2	82.8	.....	57.9	80.9	.....	56.7	82.7	.....	54.8	82.2	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	70.2	.....	70.5	.....	.....	74.4	.....	.....	77.7	.....	.....	.....	74.3
82.8	78.0	65.6	80.1	78.1	65.8	77.5	78.5	61.3	73.4	78.9	58.4	77.0	82.3	.....	76.4	83.0	.....	72.0	82.0	.....	75.6	84.0	.....	76.4	81.2	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	57.0	.....	33.2	.....	.....	58.0	.....	.....	58.0	.....	.....	.....	57.8
71.6	71.2	72.7	77.1	71.6	70.6	73.4	70.1	69.3	70.5	70.6	66.3	71.3	70.1	66.5	80.0	70.0	66.8	71.0	75.5	65.8	71.0	73.9	65.6	71.2	71.7	65.6
69.9	87.8	82.1	81.7	89.2	80.3	84.7	81.1	77.4	81.4	89.4	76.6	82.1	89.9	78.3	84.1	90.5	80.5	86.5	91.5	78.2	85.4	92.1	72.7	84.7	90.9	74.5
74.8	81.7	77.8	72.5	80.3	81.4	73.2	80.0	82.2	73.7	76.1	76.9	71.8	82.2	74.7	71.9	82.1	70.5	74.6	82.7	72.1	76.4	80.7	74.9	75.2	79.4	73.9
77.0	78.7	80.5	74.0	78.6	76.9	73.4	81.1	76.4	73.0	82.2	76.8	73.4	86.1	.....	72.9	86.3	.....	75.9	87.0	.....	77.2	83.4	.....	77.3	82.2	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	72.8	.....	75.9	.....	.....	76.1	.....	.....	71.8	.....	.....	.....	55.0
78.1	79.1	82.0	74.8	79.0	77.9	74.0	81.9	76.4	73.9	83.2	76.8	74.3	87.7	76.4	73.5	87.8	82.8	76.5	88.2	78.1	77.7	85.0	78.8	77.7	84.0	77.4
75.2	67.6	74.3	77.9	70.9	73.5	78.4	71.8	71.4	73.5	66.2	70.7	72.1	69.0	71.1	71.0	71.1	67.6	68.0	73.2	69.5	69.2	69.7	70.1	68.1	68.3	65.7
88.1	84.5	79.1	63.1	88.2	72.6	76.9	89.7	63.3	77.5	92.1	63.5	78.5	92.1	61.4	77.6	92.6	62.6	80.1	92.0	59.3	79.8	84.7	57.6	77.3	86.4	57.2
71.8	76.9	74.1	70.4	71.5	71.3	70.0	73.2	69.9	69.2	73.1	69.3	70.4	78.5	.....	70.6	82.4	.....	72.9	84.6	.....	79.7	86.4	.....	77.8	85.3	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	70.6	.....	71.2	.....	.....	57.1	.....	.....	72.0	.....	.....	.....	67.5
72.5	77.5	74.6	71.5	71.6	71.2	70.1	72.9	69.5	69.2	72.4	69.0	67.2	77.4	70.5	70.6	82.9	78.0	73.2	84.5	78.2	80.2	86.3	82.5	78.1	85.1	85.1
75.8	67.9	69.1	55.8	69.2	67.7	67.5	67.4	69.4	66.5	66.4	70.3	65.5	68.2	66.3	70.2	70.1	68.9	68.2	73.1	68.6	69.6	73.8	69.2	70.1	78.5	72.8
73.7	81.1	77.6	72.2	82.0	75.7	73.4	78.8	73.4	76.3	75.4	73.3	77.1	77.3	.....	75.2	73.2	.....	75.3	82.9	.....	77.6	85.6	.....	79.8	83.5	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	53.6	.....	69.3	.....	.....	77.8	.....	.....	79.3	.....	.....	.....	81.3
70.9	81.7	74.8	69.5	82.1	70.8	69.5	79.9	70.4	73.8	76.8	67.7	74.5	78.1	68.4	71.6	78.0	67.0	71.3	82.5	74.4	74.3	83.2	78.8	75.9	78.3	76.5
70.0	93.3	82.5	78.6	92.8	76.5	80.0	93.8	80.9	84.9	93.1	80.7	84.9	92.8	.....	84.3	92.4	.....	83.1	94.4	.....	92.3	93.8	.....	94.9	92.9	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	69.9	.....	72.0	.....	.....	76.8	.....	.....	86.5	.....	.....	.....	90.0
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	88.1	.....	79.2	.....	.....	87.5	.....	.....	76.4	.....	.....	.....	70.3
71.2	69.8	63.6	67.9	69.7	59.9	57.7	67.6	64.0	53.7	64.6	54.3	51.6	64.8	56.9	51.3	63.3	59.6	61.3	77.5	62.2	78.5	82.0	72.2	83.6	89.2	83.5
74.2	84.8	74.2	85.0	80.0	78.2	76.7	79.2	71.0	77.4	83.0	73.5	73.2	82.3	74.5	62.9	82.5	75.6	68.5	82.0	72.5	71.5	83.1	72.9	77.4	87.5	63.8
55.8	53.4	67.8	49.2	51.6	71.3	44.6	56.1	68.5	49.8	52.1	65.6	59.3	57.5	.....	5.23	59.0	.....	54.3	61.0	.....	56.1	60.4	.....	51.8	59.7	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	72.5	.....	72.1	.....	.....	73.6	.....	.....	73.1	.....	.....	.....	64.1
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	64.1	.....	69.4	.....	.....	74.7	.....	.....	75.0	.....	.....	.....	74.4
72.2	70.4	85.5	54.9	70.4	80.8	53.8	70.4	80.7	68.3	70.5	74.3	68.1	70.7	.....	69.0	71.0	.....	68.7	71.1	.....	68.3	71.7	.....	68.8	70.7	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	83.2	.....	80.1	.....	.....	81.3	.....	.....	84.4	.....	.....	.....	85.5
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	72.6	.....	84.8	.....	.....	82.6	.....	.....	81.8	.....	.....	.....	75.1
63.0	68.7	70.0	55.3	68.1	68.6	60.0	66.8	67.8	61.6	64.9	69.1	59.4	61.6	69.9	64.6	64.3	80.0	67.7	68.4	77.8	71.9	75.6	77.0	73.4	70.1	71.0
70.9	76.0	62.0	60.7	75.7	60.4	73.2	77.8	57.0	70.7	76.7	61.6	70.0	77.2	66.5a	71.5	78.5	72.1	77.8	82.2	75.9	80.4	79.8	71.0	81.3	73.0	70.4
68.3	76.8	71.2	61.7	77.3	62.5	62.4	75.7	56.4	71.6	80.4	81.8	76.2	73.7	82.1	75.7	73.5	81.9	74.3	70.0	83.2	74.0	70.8	83.6	74.9	72.1	79.5
80.0	81.4	73.7	82.5	75.9	69.9	80.0	69.9	72.4	80.9	69.9	70.7	87.1	67.2	71.2	88.3	71.1	66.2	88.0	68.0	69.4	88.7	78.3	67.8	80.9	67.1	75.0
57.0	80.3	71.4	56.6	77.4	72.8	58.5	71.4	74.5	69.2	69.0	81.1	67.8	68.6	.....	62.8	56.9	.....	57.8	58.0	.....	60.8	59.8	.....	67.3	58.3	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	73.6	.....	87.3	.....	.....	74.1	.....	.....	82.3	.....	.....	.....	70.1
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	73.9	.....	71.7	.....	.....	69.2	.....	.....	66.1	.....	.....	.....	80.4
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	89.7	.....	90.1	.....	.....	87.4	.....	.....	85.3	.....	.....	.....	86.2
54.8	58.5	54.7	46.1	44.6	58.8	36.6	38.0	59.6	32.2	38.0	59.2	44.3	50.4	66.9	54.6	49.1	70.8	61.3	73.2	71.4	83.5	85.1	85.6	83.8	85.1	85.1
72.8	64.0	72.2	68.7	65.1	75.9	64.3	72.9	72.8	58.8	70.1	71.5	68.6	74.1	.....	75.3	84.7	.....	83.7	93.8	.....	78.1	90.3	.....	82.2	89.8	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	58.0	.....	67.7	.....	.....	62.3	.....	.....	66.0	.....	.....	.....	69.3



## PUBLIC MERCHANDISE WAREHOUSING

December, 1930, and January-February, 1931

Division and State	Per Cent. of Floor Space Occupied			Tonnage						Equivalent No. of Lbs. Per Sq. Ft.		
				Received During Month			Delivered on Arrival					
	Dec.	Jan.	Feb.	Dec.	Jan.	Feb.	Dec.	Jan.	Feb.	Dec.	Jan.	Feb.
NEW ENGLAND: (Total)	55.0	54.2	56.4	15,397	17,294	17,669	5,186	6,410	4,725	3.9	4.6	3.4
Vermont and New Hampshire	91.8	75.5	69.4	210	190	170	.....	.....	.....	.....	.....	.....
Massachusetts	54.7	53.8	53.7	11,586	13,321	12,645	4,190	3,723	2,368	4.6	4.0	2.6
Connecticut	59.4	59.8	65.4	1,070	1,125	2,003	676	2,327	2,057	4.1	10.7	9.4
Rhode Island	46.3	46.8	61.0	2,531	2,658	2,851	320	300	320	1.5	1.8	1.6
MIDDLE ATLANTIC: (Total)	65.7	62.7	60.5	119,037	96,228	73,405	8,926	9,817	9,569	1.3	1.4	1.4
N. Y. Metropolitan District (1) Total	64.7	61.4	58.5	80,496	62,830	39,891	1,304	1,282	1,172	0.3	0.3	0.2
Brooklyn	60.6	58.1	56.5	44,027	35,210	19,941	261	292	312	0.1	0.1	0.1
Manhattan	71.4	71.2	65.6	7,480	12,228	7,126	155	274	221	0.2	0.4	0.3
Nearby New Jersey	65.4	53.5	49.9	24,124	10,811	9,932	858	716	639	0.9	0.7	0.6
All Other	43.6	44.3	56.8	4,865	4,581	2,892	30	.....	.....	0.2	.....	.....
New York, except Metropolitan District	74.3	67.4	65.4	13,000	10,021	9,704	4,935	4,827	5,378	6.7	6.6	7.3
New Jersey, except Met. Dist.	57.8	64.3	74.3	462	562	650	50	.....	.....	0.7	.....	.....
Pennsylvania	65.6	65.7	66.5	25,079	22,815	23,160	2,637	3,708	3,019	2.3	8.3	2.7
EAST NORTH CENTRAL: (Total)	71.4	73.7	74.0	82,347	88,989	71,596	16,815	18,651	14,452	4.0	4.2	3.4
Ohio	74.4	78.5	76.6	18,916	27,073	17,954	5,516	7,606	5,162	4.5	6.2	4.3
Indiana	73.9	77.1	83.6	2,949	3,660	4,114	449	875	864	1.8	2.5	2.9
Illinois, except Chicago	55.0	69.8	73.7	2,495	2,307	2,160	1,302	1,359	1,525	7.0	5.5	9.0
Chicago	77.4	77.9	76.2	41,847	40,241	35,596	4,904	3,817	2,455	3.6	2.6	1.7
Michigan	65.7	65.7	68.5	12,858	13,116	9,147	2,527	2,871	2,310	2.6	2.9	2.5
Wisconsin	57.2	56.8	55.5	3,282	2,592	2,625	2,117	2,123	2,136	9.2	9.2	10.0
WEST NORTH CENTRAL: (Total)	79.6	78.6	76.7	72,705	56,755	43,386	15,211	14,424	15,481	6.0	5.7	6.1
Minnesota, except Minneapolis and St. Paul	67.5	64.0	63.5	1,462	656	837	1,110	752	676	8.7	8.9	8.0
Minneapolis and St. Paul	85.1	81.4	79.1	19,356	16,230	12,272	3,891	4,395	4,983	5.1	5.7	6.8
Iowa	72.8	73.0	74.8	6,863	6,789	6,290	2,594	2,817	2,598	8.6	9.1	7.8
Missouri, except St. Louis	81.3	80.5	77.8	12,357	8,624	5,018	1,682	1,529	1,987	3.5	3.1	4.1
St. Louis	76.5	76.4	72.4	5,996	4,641	4,020	455	387	186	1.3	1.1	0.6
North Dakota	90.0	89.9	86.4	3,996	1,828	1,172	208	313	233	1.8	2.7	2.0
South Dakota	70.3	68.1	72.0	229	353	274	135	112	106	7.4	6.2	6.8
Nebraska	83.5	83.8	81.3	18,405	14,941	10,976	1,683	1,906	2,742	6.6	7.5	7.8
Kansas	63.8	66.1	66.3	4,041	2,693	2,527	3,453	2,213	1,970	26.4	17.6	16.3
SOUTH ATLANTIC: (Total)	68.4	69.0	74.1	35,670	36,226	51,199	8,001	8,221	9,045	4.8	5.4	6.2
Maryland and Delaware	64.1	65.0	72.3	20,819	19,319	35,880	2,521	1,434	1,538	2.3	1.5	1.7
District of Columbia	74.4	72.2	74.1	2,314	2,275	1,962	1,688	2,000	1,893	17.8	21.1	20.0
Virginia	85.5	86.9	86.1	1,998	2,815	2,467	939	1,137	1,707	7.2	8.8	13.2
West Virginia	75.1	76.9	86.6	1,373	1,656	697	681	154	81	8.1	8.5	2.5
North and South Carolina	71.0	67.5	67.8	1,474	1,819	1,424	264	409	408	2.9	3.7	4.2
Georgia and Florida	70.4	72.0	72.9	7,692	8,342	7,786	1,928	2,544	3,345	11.6	14.5	18.4
SOUTH CENTRAL: (Total)	82.6	77.6	76.2	38,978	41,523	40,335	5,806	10,519	10,849	3.5	5.4	5.5
Kentucky and Tennessee	79.5	73.2	74.6	5,010	2,828	4,084	973	1,336	1,069	3.9	5.2	4.2
Alabama and Mississippi	75.0	75.1	69.5	1,949	1,526	1,279	898	930	850	8.3	8.6	8.5
Arkansas	70.1	66.0	69.9	1,185	1,972	1,773	500	1,118	1,152	5.2	8.8	9.1
Louisiana	80.4	65.0	68.3	20,844	20,430	18,286	765	1,133	600	1.3	1.3	0.7
Oklahoma	86.2	85.8	86.1	2,169	8,548	9,359	2,325	2,482	3,470	20.1	21.6	35.7
Texas	85.1	85.2	80.7	7,821	6,219	5,654	345	3,520	3,708	0.7	7.1	7.4
MOUNTAIN AND PACIFIC: (Total)	73.0	71.0	66.8	39,325	45,881	41,258	18,978	24,330	20,825	8.9	9.3	8.6
Idaho and Wyoming	69.3	76.9	73.6	217	313	263	380	594	396	10.9	17.4	12.1
Montana	86.1	82.3	77.6	369	298	262	.....	.....	.....	.....	.....	.....
Arizona and New Mexico	68.8	68.9	69.2	296	454	601	793	909	1,074	10.4	10.4	12.2
Utah	68.3	75.5	60.3	2,213	2,875	2,225	524	626	107	3.4	4.6	0.9
Colorado	76.7	74.3	74.5	1,238	922	1,003	906	1,105	919	7.6	8.8	7.3
Washington	92.3	73.7	70.8	3,814	3,483	2,526	2,340	2,455	1,837	10.2	9.7	7.1
Oregon	65.6	64.4	63.1	13,601	13,717	8,214	9,604	12,884	10,788	38.2	51.2	43.0
California	70.7	70.2	65.8	17,370	23,808	26,134	4,320	5,549	5,391	3.6	3.3	3.6
TOTALS FOR UNITED STATES	70.4	68.9	67.9	403,459	382,896	338,848	78,923	92,372	84,946	3.9	4.3	4.1

(1) Because of the importance of the territory, figures are shown separate from the State totals.

last December and January and the provisional occupancy and tonnage figures for February, the latter being the Government's most recent release.

It will be noted that the final three columns show the equivalent number of pounds received per square foot of space occupied. This is an innovation in this statistical movement, and it went into effect as a result of requests which the Department of Commerce received from warehouse executives.

The beginning of the fourth year of the movement finds data being segregated for only a few of

the cities—the New York metropolitan district, Chicago, Minneapolis and St. Paul together, and St. Louis. Commenting on this situation, the April 1 *Bulletin* of the merchandise division of the American Warehousemen's Association says:

"The ability thus to localize the figures makes them of increasing value, not only from the viewpoint of the project itself but to the warehousemen of those cities. There are quite a few cities whose figures are not segregated in these reports but ought to be. That is because there are not enough of the

warehousemen in each of those cities interested in these reports and the possibilities of them as to see that their particular city is represented.

"The Department of Commerce undertook to procure these figures for our industry at the AWA's request; these reports are an AWA accomplishment that we can all be proud of. And the industry is indebted greatly to the Department for providing the machinery for gathering these figures and for the deep and practical interest that its personnel has manifested in them."

Success Stories

No. 100

M. R. Mathews

By ELIZABETH FORMAN

# Let's Take the Family Album Out of Storage!

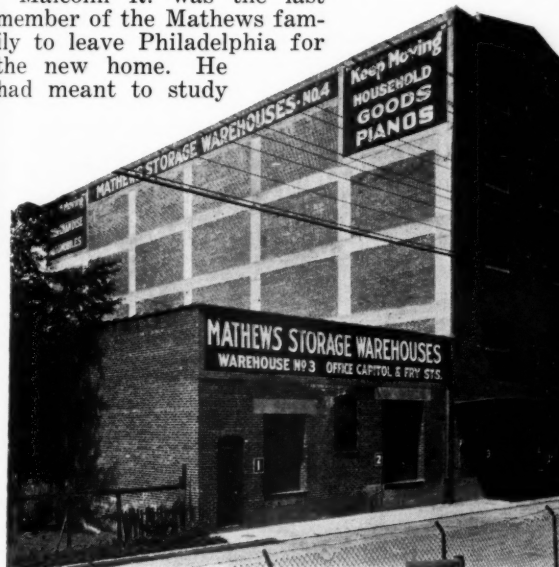
MALCOLM R. MATHEWS, president of the Mathews Storage Warehouses, Charleston, W. Va., and postmaster of that city, is one of a family of three brothers. He was born and reared in Philadelphia, but while he was still a boy he removed to Charleston with his father and the rest of the family. The elder Mathews had left the Quaker City to look around the country for a new location, and cruising through the South, he had fallen in love with the picturesque West Virginia country, especially the Kanawha River Valley section. Here he engaged in a printing and newspaper business.

After being there a few years he erected a building for the newspaper plant and it was then he conceived the idea of using some of the extra space in it to store household goods.

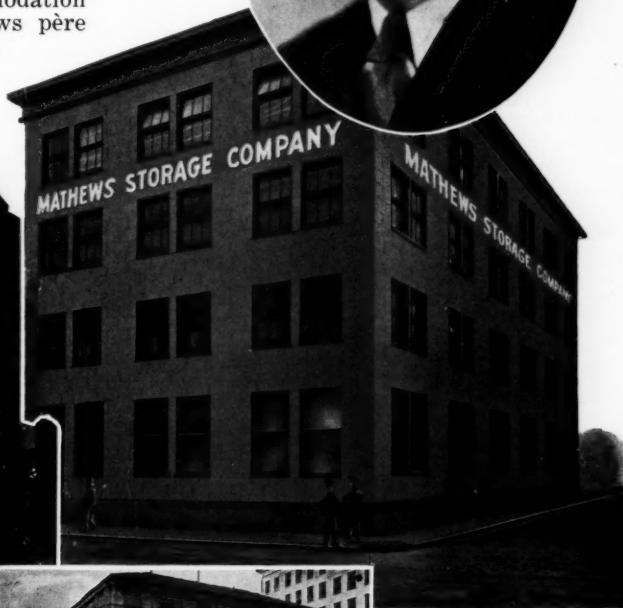
This surplus room was used, at first, as accommodation storage for several transfer men. Then Mathews père purchased a small teaming business of his own which he added to the warehouse. That was in 1905.

Malcolm R. was the last member of the Mathews family to leave Philadelphia for the new home. He had meant to study

*In oval, Malcolm R. Mathews, president of the Mathews Storage Warehouses, Charleston, W. Va.*



Above, the Mathews firm's No. 3 and No. 4 warehouses, at 1313 and 1315 Hansford Street



Above, Warehouse No. 1, at 600 Capitol Street



Left, the Charleston Post Office, where Mr. Mathews is postmaster

mining engineering but had been forced to give it up on account of ill health. He had arrived in the South, however, by the time the first truck was bought; and, while a third brother was away from home, the two remaining divided their time between their father's printing business and the warehouse, determined to

get as much revenue as possible out of the new venture.

The business prospered but young Malcolm left it for a time and got a job with the State of Virginia in the State auditor's office. Here he remained four

(Concluded on page 51)

# Pacific Coast Canned Goods Production-Distribution

No. 2  
Southern California

By DON F. HARNER  
Sales Promotion Manager  
Stewart Curtis Packers, Inc.

CALIFORNIA has definitely taken the world's lead in the development of the fruit-canning industry, both from the point of science to furnish a dependable and uniformly high quality, and of the greatest quantity production. Enforced rules and regulations of the California State Board of Health protect the entire canning industry by requiring certain sanitary conditions and proper sterilization cook of canned foods. This insures uniform safety of canned foods from the State, building confidence year by year on the part of the consuming public.

Thus, with a new generation coming into its own, canned foods occupy a position of confidence, many of the older unjustified fears having been cast aside.

FOR several years prior to 1870 a number of experimental packs was recorded in California. Figures tell the story of increased fruit and vegetable canning production, 1870 to date; here are some, by decades, for California's fruit and vegetable production:

Year	Total Cases Packed
1870.....	132,600
1880.....	326,458
1890.....	1,495,300
1900.....	3,723,691
1910.....	7,269,981
1920.....	16,632,809
1930.....	30,652,946

California is divided into two natural geographic divisions by mountain barriers. The productive irrigated acreage of southern California is much less than that of northern California, in so far as the production of fruits and vegetables for canning purposes is concerned. With almost a thousand miles of northern and southern coast line, and with varied altitudes from the highest mountain (14,502 feet) in the United States to below sea level in the Death Valley, one may expect to find tremendous variations in California's climatic conditions, with a correspondingly diversified production—this on sea as well as on inland areas.

Thus, studying southern California, we find certain canned foods produced in no other section of the United States. The tuna fishing industry, for example, is exclusively a southern California industry. Tuna fishing is divided into two peculiar divisions: that which specializes in the packing of the genuine white meat tuna (the albacore), and that which packs in preference larger quantities of lower-priced light meat tuna fish, (the

Consider for a moment the consistent increase in production during the past sixty years and the corresponding reduction in retail prices until the average housewife can no longer afford to buy fruit and sugar and spend her time preserving fruits, vegetables, etc., because she can purchase uniformly high-quality canned foods cheaper and safer than she can prepare them by home methods. Moreover, she can buy them, at her local grocery store, when and as needed, avoiding in investment of a considerable sum in fruit, sugar, glass jars, etc., as required for home canning. Economy and convenience are the big factors bringing about the changes that have taken place.

THIS is the second of a series of five articles written by Mr. Harner, who is *Distribution and Warehousing's* Pacific Coast business representative.

The first text, published last month, dealt with economic factors governing the canned goods and grocery trade of America. This month Mr. Harner discusses southern California's production. The third, to appear in the June issue, will consider northern California's production of fish, fruits and vegetables. Production of salmon in the Pacific Northwest and Alaska and production of pineapple in Hawaii will be the subject of the fourth and fifth texts.

Next month's article will include an itemized list of canned foods packed in central and northern California, together with a list of the names and addresses of the principal packers in those districts.

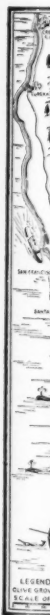
yellowfin, the bluefin and the striped tuna). The albacore, which in former years appeared in tremendous schools off southern California, running northward during the latter part of June each year, has practically disappeared and is now found in commercial quantities only in Japanese waters, whence it is brought to southern California packing plants under refrigeration near zero temperature, to be thawed out and canned. The

cheaper grades of light meat tuna fish are caught off Lower California, as far south as the Equator, and are brought to southern California plants under refrigeration. Some of the species of tuna are still caught as far north as Santa Catalina Islands, near Los Angeles Harbor, during summer months. The tuna pack has increased steadily—from 75,900 cases total in 1912 to 1,937,134 cases in 1930. These figures are on the basis of 48 pounds to the case.

Sardine packing, likewise, is a comparative newcomer to California, growing from 18,774 cases in 1912 to 3,941,459 cases in 1929, with a slight decrease in 1930 to 3,207,531 cases. These figures are on the basis of 48 No. 1 oval cans to the case, each case weighing approximately 60 pounds. The sardine pack is almost evenly divided between southern California in the San Diego and San Pedro districts, and northern California in the Monterey and San Francisco districts, the northern districts packing the greater portion.

Pimiento peppers are produced in the United States only in California and Georgia, in commercial quantities. Of the total of 506,012 cases packed in the fall of 1929, approximately 167,000 cases were produced in southern California, in close proximity to the coast. Southern California produces a sure crop each year, and much greater tonnage per acre, because of uniformity of dependable irrigation, whereas growers of pimientos in Georgia must depend on rainfall and certain years of drought have greatly reduced the crop per acre. Both California and Georgia compete bitterly with Spanish imported pimientos produced with cheaper labor and mate-

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rials, and it is claimed that any reduction of tariff on imported pimientos would completely destroy the pimiento industry of the United States. Peculiarly, the pimiento pepper is the oldest known native vegetable of America, having been discovered by Christopher Columbus on one of his trips; it was transplanted in Spain and has grown there since that time.

### Olives

Ripe olives are one of the most interesting canned foods produced in commercial quantities practically exclusively (in the United States) in California, except for a few plantings in southern Arizona. Olives were one of the first fruits planted in California, having been introduced in 1769 by the Spanish padres who established the old Missions. The commercial pack of canned ripe olives has grown steadily, reaching total of 865,000 cases in 1929, with a reduction in 1930 to 635,000 cases (basis of 6 No. 10 cans per case, the weight being 48 pounds to the case) produced over the entire State of California.

The general canned fruit and vegetable production in southern California is much less than that of central and northern California, due, in the main, to less irrigated acreage available. Canned fruits are led by peaches, for which all of California is noted; and the canned vegetables by tomatoes, which are almost a universally canned item in all States.

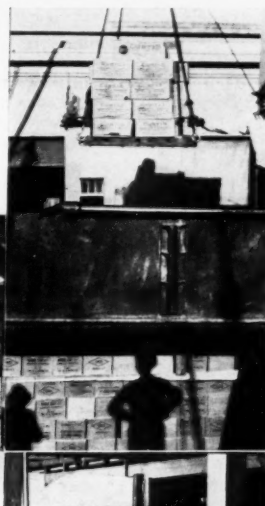
The figures tabulated herewith represent the number of cases of various canned foods packed in southern California during the year 1930:

Right, canned goods being loaded into a vessel's hold at American-Hawaiian steamship docks, Los Angeles Harbor



Above, canned pimientos ready to be loaded aboard ship at Los Angeles Harbor

Right, handling tuna fish preparatory to steam baking process at packing plant in Los Angeles



Below, tuna fish ready to be unloaded from ship



Products	Number of Cases
Apricots .....	379,412
Cherries .....	1,295
Grapes .....	4,553
Pears .....	42,738
Peaches (free) .....	527,675
Peaches (cling) .....	239,000
Plums .....	29,908
Ripe olives .....	
Figs .....	
Miscellaneous .....	
<b>Total fruits .....</b>	<b>1,224,552</b>
Asparagus .....	72,104
Green chilis .....	166,127
Pimientos .....	93,464
Peas .....	796,049
Spinach .....	324,566
String beans .....	9,892
Tomatoes .....	
Tomato products .....	
Miscellaneous .....	
<b>Total vegetables .....</b>	<b>1,462,202</b>
Tuna .....	1,937,134
Sardines .....	1,298,973
Mackerel .....	132,891
Salmon .....	
<b>Total fish .....</b>	<b>3,368,998</b>
<b>Grand total .....</b>	<b>6,055,752</b>

The term "case" as a basis for quantity computation varies with different products. Fruits are usually considered on the basis of 24 No. 2½ tins, a tin weighing 56 pounds; vegetables, 24 No. 2½ tins, a tin weighing 48 pounds; sardines, 48 No. 1's, weighing approximately 60 pounds to the case.

The foregoing tabulation does not include other than canned foods. It does not include, as examples, preserves, jellies, prepared foods, noodles, macaroni. These would add considerably more than another million cases to southern California's production.

The names and addresses of the principal canning companies with head offices located in southern California are as follows:

#### Fish

Coast Fishing Co., Wilmington.  
Cohn-Hopkins Co., San Diego.  
Franco-Italian Packing Co., Terminal.  
French Sardine Co., Terminal.  
Halfhill Packing Corp., Long Beach.  
K. Hovden Co., San Diego.  
Sea Pride Packing Co., Terminal.  
Southern California Fish Corp., Terminal.  
Van Camp Seafood Corp., Terminal.  
Ventura Packing Co., Hueneme.  
Westgate Sea Products Co., San Diego.

#### Fish and Tomato Products

Italian Food Products Corp., Long Beach.

#### Fish, Fruit and Vegetables

Stewart Curtis Packers, Inc., 315 West 9th Street, Los Angeles.

#### Fruit

Banning Canning Co., Banning.  
Hemet Packing Co., Hemet.  
Pasadena Sunset Can'g Co., Pomona.  
Taylor-Watson Ltd., Chatsworth.

#### Fruit and Preserves

Taylor's, Inc., Santa Ana.

#### Fruit and Vegetables

California Sanitary Canning Co., 5000 Long Beach Boulevard, Los Angeles.  
Cutler-Lobingier Pack Co., Ontario.  
El Monte Canning Co., El Monte.



Dotted areas indicate olive orchards

Illustrating California's olive production. This is also the fruit and vegetable producing district. Note the great interior basin formed by mountain ranges, with single gravity outlet at San Francisco Bay.

Fernando Canning Co., San Fernando.  
Neuhoff Packing Corp., 3825 West 6th  
Street, Los Angeles.

F. A. Kimball Co., Redlands.  
Old Mission Packing Corp., San Diego.  
Sylmar Packing Corp., Los Angeles.

#### Olives

A. Adams, Jr., Sunland.  
Albers Packing Co., Riverside.  
Bolivar Packing Co., San Diego.  
C. M. Gifford & Sons, San Diego.  
Chas. P. Grogan Co., 1741 Albion  
Street, Los Angeles.

C. C. Graber, Ontario.  
M. B. Moulton, Hemet.  
John D. Robertson, Long Beach.  
Tillotson-Carpenter Co., Del Rosa.

#### Preserves

Aunt Betty Products Co., 723 East  
Gage Street, Los Angeles.

A. C. Braden Co., Pasadena.  
California Choice Foods, Inc., 719 East  
Gage Street, Los Angeles.

D. A. Conley Co., Chatsworth.

W. E. Dunn, 1615 Essex Street, Los  
Angeles.

Ganzers, Inc., Arcadia.

Grocers Specialty Co., 3865 Medford  
Avenue, Los Angeles.

California Preserving Co., 1252 Law-  
rence Street, Los Angeles.

Ira R. Kaull, Pasadena.

King Kelly Products Co., Garden  
Grove.

Los Angeles Preserving Co., 1108  
Santa Fe Avenue, Los Angeles.

North Ontario Packing Co., 1731 East  
9th Street, Los Angeles.

E. Waldo Ward, Sierra Madre.

West Coast Preserving Co., 122 South  
Mission Street, Los Angeles.

San Marino Preserving Co., San Ma-  
rino.

#### Specialties

Arcadia Foods, Ltd., Arcadia.

P. Baca & Co., 4159 Whiteside Street,  
Los Angeles.

F. W. Birely Co., 1117 North Mans-  
field Street, Los Angeles.

W. H. Booth & Co., Santa Ana.

Mandarin Products Co., 750 Ceres  
Street, Los Angeles.

Morehouse Mustard Co., 1138 San  
Fernando Road, Los Angeles.

Dr. Marney Food Co., Huntington  
Park.

Rameriz & Feraud, Ventura.

Santa Maria Packing Co., 1779 North  
Main Street, Los Angeles.

Skinner Canning Co., Owensmouth.  
XLXT Spanish Food Co., 1316 Las  
Vegas Avenue, Los Angeles.

Yolanda Raviola Packing Co., 839  
North Broadway, Los Angeles.

#### Tomato Products

Anaheim Canning Co., Anaheim.

Harbor City Canning Co., Harbor  
City.

Uddo-Taormino Corp., 1568 Industrial  
Street, Los Angeles.

#### Vegetables

Royal Packing Corp., 1815 Sacramento  
Street, Los Angeles.

## Survey Lops \$3,000 Off Year's Insurance Costs

By FRED E. KUNKEL

Are You Carrying Coverage  
Which You Do Not Need?

**T**HE Jacobs Transfer Co., a merchandise and house-  
hold goods storage firm operating thirty-four trucks  
in Washington, D. C., and twelve in Baltimore, con-  
tract hauling, suddenly came to the point in its cost  
studies where it found that it was paying out too much  
money on insurance.

The figures had grown in staggering top-heavy pro-  
portions. Like Topsy, they had just grown up. Some-  
thing had to be done about it. So L. W. Mason, secre-  
tary-treasurer, decided to wade in and do something—  
and he did.

As a result the insurance costs for 1931 in Washing-  
ton will be around \$5,000 and in Baltimore \$3,000 as  
against a total of \$11,000 for last year—or a clear sav-  
ing of \$3,000.

And the end is nowhere in sight, for insurance cost  
studies have really just begun for the Jacob company  
and Mr. Mason is not satisfied that further exhaustive  
studies will not further reduce costs; he is positive they  
will.

"We found out a year ago that we had insured about  
everything in sight," to quote Mr. Mason. "We had lis-  
tened to insurance salesmen and taken out almost every  
kind of insurance coverage as it was brought to our at-

tention. Then we suddenly took the other viewpoint.  
We had arrived at the point where our insurance was  
costing us too much. We were spending an awful lot of  
money each year, so we had a survey of all that and we  
were able to pull out a lot of dead wood.

We came to the conclusion that we carried a lot of  
insurance that we really did not need. So we started  
to boil it all down to just the type of insurance that we  
actually did need. That meant about a \$3,000 saving  
the first year.

"We tried to get the proper limits and the proper cov-  
erage. If you take 10, 20 and 30 limits the first thing  
you know they have got you up to skyscraper costs. So  
we took a month's work on it, studied liability and prop-  
erty damage, public liability, fire on trucks and trailers.  
Right off the bat we eliminated theft insurance. While  
it doesn't cost much, in the end it mounts up to some-  
thing. Inasmuch as our trucks are painted distinctively  
it would be a right hard job for any one to steal them  
and get away with them.

"Then take compensation insurance. We changed that  
from straight line to a mutual and got a 20 per cent sav-  
ing on that right there."

Mr. Mason continued:

"**O**N all of the auto policies we man-  
aged to save a few dollars by  
changing the coverage, changing the lim-  
its somewhere. We had the fire insur-  
ance cover only actually what we could  
get if a car burned down, rather than  
some useless value. We found it was of  
no use to insure against loss by fire for

any more than 80 per cent of what equip-  
ment was worth.

"Liability on employee-owned automo-  
biles is inexpensive and yet good protec-  
tion.

"The plate glass insurance we cut out.  
It is rather costly and here in Washing-  
ton it is almost useless.

"In the matter of improvement we fig-  
ured that improvements should be kept  
to a standard inventory, and inventory  
kept every year, and just to insure for  
50 per cent of what we actually have.

"Check forgery costs us nothing be-  
cause we have that with the machine,

but we list it and if we did not have it we would buy it.

"Take the possibility of fire in our warehouse. We changed it and figured on a five-year basis, thus getting a five-year premium for the cost of four. While interest is something, saving is considerable, too.

"Take payroll robbery and safe robbery. We keep fairly accurate check on the actual amount. If you carry \$2,000 you wouldn't want \$2,500 insurance.

"Take fire on machinery and tools in the shop. We cut that down by actual inventory, too.

"Take fire on office furniture and fixtures. Here we found we were not carrying enough, and we would have lost on that. We could not have collected the proper amount if we had had a fire.

"Take fire on goods in storage. We reduced that considerably because we make it agree with the value of the goods we actually are carrying. For fire on goods in trucks, we had a little too much; so we took the highest-price load and the lowest-price load and averaged those two, figuring that one compensated for the other.

"It is astonishing what you can dig out when you lay these things down on the table. We made this study and survey last December, so that on the first of the year we could get everything down to the lowest point and get costs where they should be. We carry most of our insurance now on a calendar year basis, which is a big advantage to us because it almost enables a complete examination, of all insurance carried, at least once a year. It also saves taking a lot of time talking to 67 salesmen.

#### "They Had Our Money"

"Another thing we found was that when we took out a policy, the company figured up the premium for the year and we paid it. At the end of the year if the insurance company had not earned it all, they gave us a refund. If it was more, we paid them. But the point is that they had our money all that time. Now we make out a monthly audit basis which requires a deposit of 10 per cent of the premium and payment each month, as we go along, of the amount earned the previous month. That spreads our expenditure over the whole twelve months and saves a nice tidy sum in interest.

"We also save ourselves a little time on the audit. Most concerns have the auditor come in once a month and audit the records. We made arrangements whereby we make a report once a month and the insurance auditor only comes in once a year. Under this system we pay for the trucks we actually use. Idle trucks incur no risks, produce no revenue, and should pay no premium. Our methods of audit have been so standardized and arranged that we now pay liability and property damage insurance on trucks actually in use.

"To summarize the situation, we find that of twelve Baltimore policies, three were not changed; one was changed to the calendar year without a change in rate; two were cancelled and not re-

newed; one represents new coverage, and savings were effected on the other five amounting to \$2,496.77 for the year.

"Of twenty-three Washington policies, nine were unchanged; two were changed to the calendar year without change in rate; two represent new coverage; two were increased in cost by \$17.19, and savings were effected on the other eight amounting to \$981.87 for the year.

"The results of the study, while encouraging, are but a step in the right direction. The total insurance cost is yet too much and changes should be figured out during 1931 for still further reductions in 1932. Concerning liability and property damage, for instance, our average rate per truck is \$16.90, the working days are 306; \$162.90 divided by 306 gives us \$.53235 as the per-truck cost per day. We list 212 truck days for January, and we pay 212 times that, or \$112.86.

"Most insurance companies writing policies under the payroll audit method insist on charging the assured for one-half the idle trucks. This is wrong in theory and in practice, for the idle truck can neither injure anybody nor damage any property. The truckman must keep on hand a number of special-purpose trucks, which can be used only for certain kinds of work and must of necessity be idle a majority of the time. For instance, the low-bed truck suitable only for safes; large boilers, stone and the like; the padded van, suitable only for furniture moving; the tractor-truck for use only with a trailer; the small light truck, for pick-ups and light deliveries; the large capacity truck, suitable only for handling carloads to one destination. The chauffeur who operates one kind of truck today may often be required to operate some other kind tomorrow; the truckman must keep his fleet flexible, so that he can instantly adapt it to whatever work presents itself.

"Often 50 per cent of a fleet remains idle throughout the year and it is obviously unfair to penalize those idle trucks, which are incurring no risks whatsoever because they are standing in the garage and can therefore do no damage or cause the insurer any loss. There is no reason for, nor justice in, the practice of charging insurance on half these idle trucks, and the assured should insist that none be charged, or take his insurance to a company that charges him for what he gets, and not for something that he does not get.

"Another erroneous practice is that of determining the number of chauffeurs from the payroll itself. Any sensible truckman carries on his payroll more chauffeurs than he uses in any one day. The quantity of work varies, and there must be a reserve of drivers to take care of the peaks. When not driving, chauffeurs are customarily used as helpers. Our company often has six or more chauffeurs on a single day who do not bring out their trucks, but work on other trucks as helpers. A chauffeur is a chauffeur, for the purpose of insurance, only on those days when he actually drives a truck. Reference must therefore be had to each day's work sheet to see the num-

ber of trucks actually in operation, and the resultant number of actual chauffeurs used.

"All of which brings us to the point where we pay for liability and property damage insurance on those trucks we use and no others. By this, our coverage costs are fixed, definite and easily determinable. We have our average rate for a truck for a year; we divided that by the number of working days in that particular year; the result is the coverage cost for each day we operate the truck. Each month we charge, against each truck, its day in use, times the daily cost. In closing the books for the month, we charge, to 'Expense—Truck Insurance,' the month's total truck days, times the daily unit cost, through the medium of the 'Property Voucher'; then make up 'Account Payable Voucher,' and enter it on the 'Voucher Register' in the 'Insurance Prepaid' column. We check work sheets carefully to insure absolute accuracy, as the monthly reports must exactly agree with actual facts when the insurer audits the records after the close of the year.

"As for experience rate and accident prevention, every effort should be made to reduce and to prevent accidents, so that an experience rate may be obtained, thus reducing the cost of insurance. Most insurers grant an experience rate to those concerns which have comparatively few claims. Reward those drivers who have no accidents; penalize those drivers, by fine or suspension, who figure in accidents contributed to by their own negligence. Keep brakes in good working order, and inspect frequently. In times of snow and sleet, provide good skid chains, and insist on their use. Keep impressing on drivers the necessity of careful driving."

#### Lattin Firm Does an Emergency Job

The Lattin Storage & Trucking Co., Bridgeport, Conn., came to the rescue of telegraph communication on March 18 when an explosion disrupted service of the Western Union near Rye, N. Y. The blast halted transmission of messages just as important news dispatches regarding the sealing ship disaster off Newfoundland were being sent.

The Lattin company received a call at 2.35 p. m. at its warehouse, 41 Union Square, Bridgeport, and at 2.50 its trucks, carrying repair material, were leaving the city. The wire service was quickly restored.

#### Promoting Montreal Baillargeon's Task

John B. Baillargeon, chairman of the board of the J. B. Baillargeon, Express, Ltd., Montreal, is now that city's Industrial Commissioner. A report which he is submitting to the municipal authorities is titled "Preliminary Advertising and Promotional Recommendations for Montreal." The document is a first step in a broad move to stimulate the city's industrial growth.



# WHAT'S WHAT IN NEW BUILDINGS

## No. 131

### Crooks Terminal Warehouse Kansas City, Mo.

**A**NOTHER of the series of Crooks Terminal Warehouses, now eleven in number in Chicago and Kansas City, was recently completed at Kansas City. The architectural and engineering work, as well as the general supervision of the building operations, were handled by The Walter Company, architects and engineers, with headquarters in Chicago.

This building, instead of rising from the customary footings generally used in foundation work, rests on a concrete mat foundation 162 ft. by 117 ft. with a thickness of 30 in. The structure is of reinforced concrete, flat-slab type construction, with exterior walls of face brick and Bedford stone ornamentation.

With its five stories and basement, this building cost about \$300,000, not including the land, and contains an area of 113,724 sq. ft. to be used, with the exception of general office space, for public warehousing. All floors are of concrete, hardeners being used in the surfacing.

The heating equipment comprises one small Capitol boiler for use in early fall and late spring days, and a large Pacific boiler for heavy duty in winter weather. Oil is the fuel used, the room temperature being thermostatically controlled from each floor. Both systems are connected to the blower type of unit heaters installed at the most expedient points throughout.

Daylight enters the building on two sides, and all walls and ceilings are painted with white oil paint in order that the sun's rays may be more effectually reflected. Artificial lighting is supplied from powerful bulbs, one in each bay and all switched to points convenient to the elevators at each floor.

The freight elevators, three in number, are of the self-leveling type, with modern system of operatorless control, designed and constructed by the Montgomery Elevator Co., Moline, Ill. Each has a platform area of 11 ft. in width by 13 ft. 6 in. in depth, with a capacity of 7000 lb. and a speed of 150 ft. a minute. These elevators may be operated either by means of a bank of push buttons just outside all entrances or from a bank of push buttons inside the car. In other words, each elevator may be operated and controlled with or without the assistance of a riding operator. The outside bank of pushbuttons at each elevator entrance is equipped

with an "in use" light which glows red whenever the elevator is in transit, indicating the car is in use. When freight cars are to be loaded or unloaded, gangs may be stationed at the floor to which the shipment is consigned or from which it is to be conveyed. The elevator is loaded, the doors closed, the proper button pushed, and the car whisked up or down, according to the direction of its destination, where it is automatically leveled with the floor, the doors opened, and an awaiting crew proceeds to unload. At the main floor the hatchway doors open automatically as the elevator enters the leveling zone.

The elevator doors, installed by the Security Fire Door Co., are of the counter balanced bi-parting type with metal-clad panels instead of the much-used corrugated kind. The metal-clad are claimed to be more durable and to give a more pleasing appearance to the interior of the building.

Holland metal door construction is used at all stairways, and all stairways are carried to the roof. Every safeguard has been taken advantage

of for protection against invasion by fire from without or its expansion from within—fireproof construction backed by an automatic sprinkler system.

Shipping facilities, essential to speedy handling of products passing through a public warehouse, have not been overlooked. Trackage facilities are ample to allow eight cars to service the building simultaneously, while a truck driveway runs into a covered concourse inside. This concourse accommodates at least ten large motor trucks at a time. There are large, chain-operated, bi-fold doors all around the first floor for handling both truck and train shipping. Trackage along the building is set in concrete paving so as to enable trucks to back across the rails without difficulty. In this way both loading and unloading operations can be handled from almost any point. Temporary congestion along one side of the warehouse receiving floor would not necessarily mean complete stagnation, as operations could readily be shifted elsewhere.

Another advantage of this multiplicity of openings for shipping purposes is the closer proximity of some doors to the elevators or to that shaft which may be

(Concluded on page 51)



# DISTRIBUTION

Its Economic Relation  
to Public Warehousing

## Number 74

### *How Leisure, a Phenomenon of This Generation, Is Affecting Distribution*

By H. A. HARING

THE "leisure" in a man's life is his surplus of time remaining after the practical necessities have been attended to. For most persons, leisure represents the opportunity to do what they *want* to do rather than what they *must* do. It is the time free from obligations to employers, or one's own business, or any other to whom there may be responsibility. Leisure is "free time" or one's "own time" or "unoccupied time."

Our fathers thought nothing of working fourteen or sixteen hours a day. If they were farmers they worked, in summer time, until darkness or weariness compelled an end to the "day." If they were mechanics, they began at daybreak and thought nothing of returning to the job after supper. If they were employed in stores or offices, it was the regular thing to work till 9 o'clock, all day Saturday, and often most of Sunday. And, for some of us who are rather along in years, it is possible to remember the days when we, also, worked on such a schedule.

No one thought a thing about it. It was taken for granted that a man worked all day—"day" having about the meaning that it did, at that time, for the woman at home.

We thought nothing of it *because there was nothing to do* when the "day's" work was over. A man could spend

a certain time eating; he was able to endure loafing only so long; he required only a few hours for real rest. "Leisure," until our own generation, meant little to an American, unless he were rich. And, inasmuch as most of us were not wealthy, it meant nothing at all. The rich could travel, but ordinary mortals had not the money to travel. The rich could go to banquets and dizzy parties, but others had no cooks except themselves and no orchestras except themselves: for them to attempt such crazy recreations only meant additional work.

America—and that means only the fathers of this generation plus a few of us who are older and are called "Grandpa" within the family—was too busy accumulating wealth from a pioneer land to have any use for leisure. Surplus time barely existed. "The practical necessities of life" required all the time there was in the day, in the year, and, for most men, throughout life itself until old age crept on.

Leisure is, therefore, a phenomenon of this generation.

It is the result of our wealth and our industrial methods which gave workingmen the ten-hour day, then the eight-hour one, and all of us the six-day week, then the five-and-a-half, and, already becoming a fact, the five-day week. The end is not yet.

APPROXIMATELY one hundred years ago machinery was first introduced into the factories of England. Workingmen went on strike. They refused to operate the machines. They claimed that machines would throw men out of work and reduce workingmen to poverty.

That cry has been repeated times without number ever since that day. Each invention resuscitates the old complaint and the labor unions do not hesitate to call out their men when a change is announced. Inevitably they submit, because machinery is necessary for the manufacturer.

This tendency to throw men out of work has been softened, however, by the trend for leisure. In fact, after the immediate upset has been outlived, all the men are given jobs, which pay as much or more; and, at the same time, the men work shorter hours. Shorter working hours began both in England and in America with the introduction of machinery into the factories. The workday, a century ago, in the factory was sixteen hours. More than twenty years

of agitation were necessary before this was cut to fourteen hours. Then began a fight for twelve hours. Then one for ten.

We have forgotten that the ten-hour day did not become at all common until after the depression of 1893 and was not universal before 1901 or 1902. In only a few trades, such as coal mining where the unions are all-powerful, did the eight-hour day and the 48-hour week get established prior to the World War. Even the building trades did not have a uniform eight-hour day until that time—less than fifteen years ago.

There was a similar struggle for one day of rest in the seven. "Sunday free" was not usual until the unit of ten hours for a day's work was accepted, while the half-Saturday off is a thing unknown to our fathers. This, too, was an outgrowth of war-time conditions. The proposal of lopping off the half-day and giving us a five-day week is still largely in the promotional stage.

The five-day week has always been the rule for teaching in public schools. It

is not the custom with the colleges. Some of the building trades and many public employees now enjoy the shorter week; and, during July and August, many offices in the large cities are closed on Saturdays. A few of these require one employee of each department to report that day, so that, with a skeletonized organization, emergency work may not be delayed.

But, everywhere, the five-day week has served as a makeshift for full employment in times of depression or slack business. During 1930 it figured prominently all over the country—sometimes reduced to three days. Henry Ford, however, brought spectacular attention to the five-day week in 1926 when he established it for his men. His reasons, as announced at the time, were, quite frankly, to reduce production to equal the demands of the market without reducing the number of employees, and to give the men, in their function as consumers of goods, more leisure. "This will permit them to consume more of everything; in that way they will in-

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crease the market for products of industry," was his announcement at the time.

Nor should we overlook the fact that other ways have been found to increase leisure among working people. All our legislation for child labor and protection of women in industry means the same thing. Every time the legal age limit is raised a year, the child is kept from work for one year more; every hour cut from the week a woman may labor adds that much to her leisure. The same result flows when a worker is retired because of age.

Furthermore, we have increased the hours of leisure for the woman in the home. The benefits of machinery have been even greater for the wife than for the husband. The duties of the household, before the age of machinery, included a multitude of activities. The woman's job was a full-sized one. But, one by one, machinery and the factory have taken over the old-time work of the home. Spinning and weaving have left the home and gone to the factory. So has much of the making of clothes. Canning and preserving have a tendency to disappear from the home; laundering and baking are passing out of the picture. If the present trend is to continue it will be a matter of only a few years before all these activities will have disappeared. These declining household activities, coupled with the smaller family of our generation, makes possible the smaller home of apartment house or tabloid dwelling. Such labor as remains to be done in the modern American home is but a fraction of the traditional chores performed by women through past centuries.

Women may not have the five-day week in the home. They have far more than the equivalent, for the reason that a bit of planning of housework frees the woman for a day or a week, whenever she chooses to "go" somewhere, and she can always escape for a half-day, either morning or afternoon. Only thus have our women become the wonder of the world, for their clubs and social activities and for the mental alertness of each as an individual. Our women, more than we men, have made good use of their leisure.

The five-day week is but the symbol. The trend of the times, for America, is to give fewer hours to business or employment and more to leisure.

### *We Probably Work Harder*

SUCH accessories as the telephone, the typewriter, bookkeeping and calculating machines, and a host of such appliances enable us to accomplish work that would have been incredible to our fathers. We turn out more work in a day than they did. We probably work harder, in the sense that we give greater

concentration to the task in hand. Dawdling over work is less, if we are to believe one-half of the printed record as to office and store methods of fifty years ago.

In our factories, too, we get more minutes of real work from the eight-hour day than ever was possible from sixteen hours, or even from ten. This is accomplished by what the factory managers call supervision. It is, exactly speaking, "the control of idleness." For, as well we know a workman or an office girl, or even you yourself, does not work sixty minutes of each hour at top speed. The workman was in the habit of stopping to gossip with his fellows, snatch a sandwich from his lunch kit, go outside for a smoke, stop for necessary personal needs. He also felt he had the privilege of "resting once in a while." All these acts consumed time. They greatly reduced the working day from eight, or ten, or sixteen, times sixty minutes.

When employers had to concede fewer hours for a day's pay they set about retrieving the loss. They had no more intention of giving away anything through the payroll than they had in equipping their plants with costly machines. One thing they instituted was so-called "time studies" of tasks, known as "the Taylor system" from the first man who devised the method. A quick result of these time studies was that instead of allowing one man to work his machine hit or miss as he chose, with stops of one minute or ten whenever he wished, the factory engineers tied one machine to another. Work now moves through the factory progressively. Machines are arranged in units, so that from the group the finished product will flow out evenly at the same rate an hour. Each man receives what he is to handle from the machine next below him; he does his part in the operation and passes on the part to the next fellow. Parts are not tumbled into trays or carts or tossed on heaps, to be gathered by a gang of porters later in the day. Each workman is pushed to his task by the man below him. If parts accumulate on his bench, it is known that he is a slacker or unfit for the job. He, on the other side, pushes the man above him. The eight hours' pay comes only to those who can survive the speed of such a method. In such machine production, the workman's habits count for more than his skill.

Under such speeding of operations a man cannot leave his place. To do so stops the whole shop.

Here comes in the second step of time studies. The men work fifty minutes. Then all machines stop for ten. It may be that they work an hour and three-quarters and then stop for fifteen minutes. During that "rest period" all of them, at one time, are compelled to

leave their benches and relax their muscles.

The great automobile factories of Detroit are well worth a day of any man's time just to stand by and watch such a process in operation. He will learn more about leisure and "the control of idleness" than he ever suspected could be known. And, in a larger sense, the methods of up-to-date factories explain the reason for all leisure. For, rightly managed, time off the job can be so used that the worker will perform more real work in fewer hours.

The leisure of American life makes better workers of us; we turn out more product, in less time; we earn more for ourselves in less time. With it all we have many hours for play; and, as surely as the next fifteen years roll around, we shall have the five-day week.

### *What to Do With the Time?*

WE must remember that the leisure time so long desired by the masses has arrived. Having arrived, it must be occupied in some manner.

Men love to loaf. But only in the cartoons of *Life* or the newspaper do they want to loaf all the time. Loafing, too, ceases to be fun when the day's work is done; it was a sort of game when the moments were snatched from the employer. Now that whole hours are given for that purpose, the sport is gone.

"The variety of leisure activities followed by people at various times and places," declares Prof. Paul H. Nystrom, "is apparently almost unlimited. Almost any thing we do may, under certain conditions, be a leisure activity for pleasure." What may be play for leisure hours for one man may be serious labor for another.

There is a marked variation in what men do with their leisure, corresponding to their standards of living and their station in life. As a matter of convenience, Prof. Nystrom has classified the activities of leisure into these groups:

1. Outdoor play, sports, games, athletics.
2. Indoor games and athletics.
3. Hunting and fishing.
4. Motoring.
5. Travel.
6. Movies, shows, concerts, opera.
7. Music, phonographs, radio.
8. Dancing.
9. Reading.
10. Adult education and study.
11. Drinking and smoking.
12. Gambling.
13. Making collections, hobbies, pets.
14. Miscellaneous leisure activities, including:
  - a. Creative efforts in the arts.
  - b. Sociability, visiting, conversation, entertaining.
  - c. Flirting, love-making.
  - d. Correspondence, writing.
  - e. Religious activities.
  - f. Resting.

How the masses should use their leisure, in all the past, never was a problem among themselves. Whenever one achieved leisure—as through sudden



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fortune, speculation, inheritance, pension—he immediately imitated the rich. For, until recently, the only leisure in America was among those fortunates who had wealth. At the top of the pyramid, so to speak, setting the pace for all newcomers into leisure, were those whose entire time was devoted to nothing else but leisure.

Our new leisure still imitates to some extent. It does much more. It comes in a different way, and the ordinary man never thinks of it as a matter of wealth. He merely knows that he has spare hours, or days, or a vacation with pay, and he starts out to do something he could not do while at work. And, in this country, he ordinarily earns enough to provide him with cash for the enjoyment of what he elects to do.

### Health, Youth, Money

ALL our thinking about "leisure" must be separated from ideas of "pensioned" or "retired" or "decrepit." The leisure of which we are speaking, just now, is the hour or the day or the short vacation given to people in the mass. Leisure, as we defined it on the first page, "is the time free from obligations to employers, to one's own business, or to any other." It is the opportunity to do what a man *wants* to do rather than what he *must* do. Leisure is merely the "time off" which has come through eight-hour days, six-day weeks and removal of drudgery from the household.

Primarily those who have this leisure are in good health. They are not rheumatic, or asthmatic. They are not forlorn widows or lonely spinsters. Nor are they the "close fisted" type found in Maine villages whose fathers willed them enough to live frugally at home, without work, for the rest of their lives.

No. Health and surplus energy are the possession of America's leisure. Boys of eighteen—girls, too—in the thrill of a first job are given leisure. Their grandfathers, when they landed their first jobs, worked till nine or ten every night, seven days of the week, with no time off for holidays other than Christmas and Easter and "the Fourth." Men of today in their twenties and thirties, have leisure—either to spend with sweethearts or growing families. Increased leisure is given to those of the next age group, because probably their earnings are larger and their positions better.

An exuberance of good health means that Americans do something with their leisure. Men and women, young and healthy, with eyes that shine and faces that smile, demand activity for their leisure hours.

They have youth. They have not waited for pensions to come with old age. They have not waited until the savings account yields enough interest

"to live upon" or the insurance policy matures with a large cash payment. Leisure comes during all the years of life, so that while the bloom of youth is upon them men of all walks of life do what they please.

For a third matter, they have money to spend. Their earnings make possible something to spend for their hours off the job.

Among unskilled laborers, a rapid increase in income and more free time usually leads to drunkenness and loafing. Such a class as coal miners can think of no better way to celebrate their leisure. But, as we get into higher and better classes of people, the money they have is spent for a wider range of purposes—indicated possibly by Prof. Nystrom's classification which we have already given.

### Commercialization

MEN'S desire to play and amuse themselves makes a business opportunity for others. If men want to read, some one publishes a book and a magazine for them; if men want to gamble, someone provides the way; if they want golf or movies or dancing, some one makes it his business to gratify the desire; if they want to go places, either the railroads or the automobile makers will make this possible; if they want to eat out, the roadside "hot-dog" stand or the hundred thousand restaurants offer the place and the food; or, if they want to be beautified, some two hundred thousand more barbers and hair dressers are available than we had ten years ago.

This has been called the commercialization of leisure. That term sounds a bit evil, as though it was wrong-doing. It is not, of course. It means only that we think of the organized businesses that have sprung up to make possible the enjoyment of leisure. If men worked sixteen hours and seven days, if women still had to spin and weave and bake and sew as their mothers did, we should have no need of professional baseball or college football or hunting clubs or movies or automobiles. We should have no fine hotels or country clubs, probably no Florida and California in winter or the thousands of resorts in the summer.

With leisure we lose our zest for homely pleasures. The ordinary associations do not yield that variety and newness that we want. Just to bask in the sunshine, or just to make garden at home, or just to sit and rock on the porch, are not enough for healthy, youthful Americans who have money to spend. Those employments of leisure seem most inviting that take us away from home, that do something different; especially do we seem fond of things which require expensive equipment and paraphernalia, special clothing, a charge for admission, and so on.

One student of American leisure portrays the condition in this manner:

"The rag doll and the home-made cart may have been satisfactory playthings to the girl or boy of a past generation, but they do not give much thrill to the youngsters of the modern American family. They must have much more expensive equipment to enjoy themselves. It is practically impossible to participate in any of the active sports or games that are highly popular at the present time without the outlay of a considerable amount of money for the necessary equipment, as well as of time to acquire the technique of the prevailing fashion of playing.

"The home no longer provides anything for amusement of our youth other than the financial wherewithal! Thus, as income increases and standards of living rise, the cost of leisure also increases."

Yet, even with that name which suggests something wrong, the commercialization of leisure is in no sense different from the commercialization of production and distribution of food and clothing and the other requirements of life. Just as the delicatessen, the bakeries and the restaurants now supply a large proportion of the foods served in the modern household, so the movies, amusement parks and dance halls provide means to enjoy leisure for pay. Commercialization has resulted in a division of labor by which one group of people provides the satisfactions, the thrills and the enjoyments desired by other people during their hours of leisure.

Commercialization of leisure is, in a very true sense, a definite measuring stick of our advancing standards of living.

### Leisure in Distribution

THE things demanded for our leisure shade off into other commodities. It is difficult, for instance, to define where chocolate and coffee graduate off from items of necessary food and become articles of leisure. Many of our automobiles are tools of business; many others are but toys for pleasure. No hard and fast division can be made.

In distribution, however, the article of leisure is very irregular in sales and it goes up and down with prosperity of the people. This is in contrast with food supplies and necessities, which move into consumption more evenly.

"Anything they want for play," says a merchandiser of wide experience, "they want when they want it and where." Possibly this indicates the situation in marketing anything for leisure. An item for leisure hours must be supplied while desire runs hot, or the sale is lost.

Novelties for a banquet are wanted at the time; next morning they are useless

to the customer. Decorations for a "party" are wanted on short notice; if available they are bought; if not, something else is taken or the party goes on without. Fishing togs may be sold to the man at the psychological moment when he is planning the trip; but, when he returns in a fortnight, he has no interest in a thing "back-ordered."

Therefore all merchandise for men's leisure slips quickly over the timely moment for a sale. The amusement park must be ready for the crowd that may not show up; but, if for any reason, it is closed, or dark at the gate, the crowd

goes by and patronizes the next place. People are impatient when on "leisure bent." The youth who will stand in line ten minutes at the cafeteria during his brief nooning, will haughtily conduct his girl to another place if asked to wait "one moment, please" at the entrance to a restaurant floor in the evening when he has six or eight hours ahead with nothing special to do. It is "now or never" for anything sold for leisure.

This situation has a deep meaning. It adds tremendously to the cost of everything entering the commercialization of leisure.

Stocks of goods must be adequate. Sizes and colors must be complete. Service must be in readiness for quick action. Everything must be prepared for 100 per cent performance, whether the day's demand—or the night's—proves to be ten or two hundred. The same condition does not obtain with ordinary retailing or supplying the wants of men, for the reason that for other commodities it is possible to measure beforehand the probable sales for a day. With leisure goods, however, whim and fancy of the moment control what the patron will or will not buy.

# Rail Rates Lowered to Meet Truck-Water Competition

Significant Ruling

by the I. C. C.

By STEPHENS RIPPEY

DISTRIBUTION AND WAREHOUSING'S  
Washington Bureau,  
1163 National Press Building.

**T**HE Interstate Commerce Commission apparently has decided to stand squarely behind the rail carriers in their battle with the unregulated truck lines.

In a very important decision in I. & S. Docket 3510 the Commission has permitted the Norfolk Southern Railroad to put into effect reduced rates on some 600 commodities, in carloads and L. C. L., between points in eastern North Carolina and Norfolk, Va., Newport News, Va., Baltimore, Philadelphia, Providence and Boston.

The reductions, which range from 20 to 25 per cent, were proposed by the railroad to meet truck and boat-line competition. The Norfolk Southern based its entire case on the destructive competition offered by these lines, and the Commission's decision probably can be regarded as a statement of its policy concerning reduction of rail rates to meet unregulated competition.

The proposed rates were to have become effective on Sept. 12, 1930, but were suspended until April 12, 1931, on protest by shippers at Richmond and the Norfolk, Baltimore & Carolina Line, Inc., which operates steamships between Baltimore and Norfolk and between Norfolk and most of the principal points involved in the case.

That the case was regarded as a test of the Commission's future policy to govern rate reductions by the railroads to meet truck and boat-line competition, there is little doubt. J. F. Dalton, traffic manager of the Norfolk Southern, in a voluminous brief filed in the case, devoted his entire argument to the effect of unregulated competition on the railroads and made a strong plea for aid from the Commission.

The decision seems to go along completely with the arguments placed before the Commission by Mr. Dalton, and, to this writer at least, it seems a complete victory for the railroads. It was handed down by Division 3, composed of Chairman Ezra Brainerd, Jr., and Commissioners Frank McManamy and William E. Lee.

**A**CCORDING to the Commission, the proposed reductions were aimed primarily at the boat-lines and secondarily at the motor truck lines plying between Norfolk, Newport News and the Carolina points.

"Eastern North Carolina is gridironed by modern highways, over which motor-truck lines render regular and efficient service to and from most of the points considered at rates comparable with those of the water lines," the decision said.

"The truck lines maintain joint rates with the water lines to and from many interior North Carolina points. The amount of traffic handled by the trucks is substantial, but much smaller than that carried by the water lines. The

services afforded by the water lines and truck lines compare favorably with those of respondents [the rail lines].

"The water and truck lines are not so strict regarding the packing and marking of freight as is the Norfolk Southern. The water lines permit the free use of their wharves for storage. They have some free pick-up and delivery arrangements. They act as forwarding agents. The truck lines render store-door service."

The Commission said that during the past decade an average of about 500,000 tons of freight has been moved per year inland by water craft through the canal between Norfolk and the sounds of North Carolina. The traffic involved in the suspension case, however, con-

stituted only a small part of the total, the commission said.

Estimates of the Norfolk, Baltimore & Carolina Line submitted to the Commission showed the total volume of merchandise traffic handled by the three chief water-line competitors of the Norfolk Southern in 1929 to have been about 40,000 tons, with a yield of approximately \$175,000 in gross revenue.

The Norfolk Southern, the Commission said, had no faith in these figures and claimed that a personal canvass made by one of its representatives indicated that the amount of merchandise traffic moving over the water lines during the year ended July 1, 1929, was more than 50,000 tons, with revenue exceeding \$250,000.

This witness for the railroad said if a study had been made of all the traffic, the figures might have been doubled. Such relatively small tonnage, the Commission said, could be readily handled by the Norfolk Southern, for the most part in merchandise cars now operating without much added expense, so the revenue from the added traffic would be almost entirely profit.

The Commission pointed out that the Norfolk Southern was not in first-class financial condition, its revenues ranging from \$7,000,000 to \$8,600,000 during the period 1925 to 1929. The carrier could make good use of any profit, however small, that might result from establishment of the proposed rates, the Commission said. The railroad's rates of return during the same five-year period have ranged from 4.65 to 3.32 per cent, the Commission said. Because of its comparatively poor financial condition, the commission pointed out, it was allowed a higher basis of rates than southeastern carriers generally.

"The Norfolk Southern urges that unregulated water and truck lines, operating as they do on Government-improved waterways and public roads, free to depart from tariff schedules and make rates as low as they see fit, and which take traffic that has been developed by railroads at a great expense over a long period of years, are at a great competitive advantage as compared with the railroads; and that railroads, as indispensable and permanent agencies of transportation, with large investments in facilities of their own, should be permitted to exercise managerial discretion in meeting competition, in order to protect and strengthen their financial standing and keep themselves in position to serve efficiently and well the territory in which they operate," to quote from the decision.

"It says there is not sufficient business in eastern North Carolina to maintain all three kinds of transportation agencies."

The steamship line contended that any

increase in the Norfolk Southern's profits growing out of the proposed rates would not be sufficient to do the railroad much good, but would do the water lines great harm.

The president of the steamship line told the Commission that his line, to the extent of its ability, intended to meet any rate reductions that the Norfolk Southern might make.

"Under such circumstances," the Commission said, "the Norfolk Southern would still be without the business it here seeks to attract, and the principal water line would suffer a reduction in net income."

The Commission pointed out also that early in 1930 the Norfolk Southern, together with the Atlantic Coast Line and Seaboard Air Line, sought to establish reductions similar to those involved in the suspension proceeding. These reductions were objected to by the standing rate committee of the Southern Freight Association (a railroad organization), principally because there was no assurance that the water lines would not reduce their rates and because it was felt the reductions might lead to unnecessary reductions elsewhere, as well as jeopardize efforts southern carriers were making to get rid of L.C.L. commodity rates.

This argument, which applies with equal force to truck lines, was disposed of by the Commission in this language:

"Respondents state that the proposed rates will result in increased tonnage and will yield something more than the expense incident to the handling of the increased traffic. The record fails to show conclusively that they would be unduly destructive of water competition, and it does not appear that they would be subversive of the public interest."

The decision is all the more important because of a question of undue prejudice raised by the Richmond (Va.) Chamber of Commerce and shippers of Richmond. These interests said they had no objection to the proposed reductions in rates from Norfolk to the Carolina points, but

insisted that if they were permitted to go into effect, corresponding reductions should be made from Richmond.

Taking up this point, the Commission said:

"Carriers have a right to establish rates lower than reasonable maximum rates and lower than we may prescribe, but they may not exercise that right to the prejudice of any shipper or locality. However, a rate disadvantage is not proved undue by the mere statement of it. In determining whether alleged prejudice is undue, similarity of circumstances and conditions must always be kept in mind.

"Where they are not similar, the differences in them may justify the difference in the rates complained of and hence there may in fact be no preference and prejudice, or, if there is, it may be justified by all the circumstances and therefore not unlawful.

"The Norfolk Southern states that, should we find the suspended schedules not justified on account of undue prejudice at Richmond and preference at Norfolk, it is willing to join other carriers serving Richmond in establishing relative rates from that point. There is no practicable water or truck service between Richmond and the Carolina points.

"The record in this case contains a great deal of evidence as to practices of the unregulated water and truck lines operating between Norfolk and the Carolina points which, under the Interstate Commerce Act, are not permitted the Norfolk Southern; and it appears that the carrier is making a *bona fide* attempt to help itself by the only means available to it. The circumstances and conditions surrounding traffic from Richmond are so dissimilar to those which prompted the publication of the proposed rates that approval by us of the proposed rates should not be contingent upon the establishment of relative rates from Richmond.

"We find that the proposed rates have been justified."

## Haring's "New Business for Warehouses"

Makes Its Appearance  
Early in May

H. A. HARING'S book "New Business for Warehouses," being published by *Distribution and Warehousing*, will, as announced in these columns last month, be ready about May 1 for delivery to purchasers. The price is \$3 and the edition is limited, and orders, accompanied by payment, should be made without delay.

The background of this volume may perhaps best be told by quoting here Mr. Haring's own preface prepared for the book. The preface reads:

"This volume is a reprinting of the first fifty numbers from a series of articles which appeared in *Distribution and Warehousing* under the caption 'New Business for Warehouses.' The series itself is continuing to run in that publication; and it is probable that a companion volume will, in due time, gather up in permanent form a further reprinting. . . .

"Originally the series was undertaken because the editor of *Distribution and Warehousing* became convinced that

among warehousemen there existed a real need for suggestions of this sort.

"Solicitation of business for warehouses, like that for any industry, tends to run in ruts. There is altogether too much strife over existing volume, too much tampering with established connections. Warehousing itself, we should remember, is more a 'service' than a 'commodity,' and, for that season, a warehousing connection once formed ought to be more or less continuous. In

(Concluded on page 51)



# I. C. C. Truck-Rail Coordination Report Will Go to Congress

Washington Hearing  
Is Summarized

By STEPHENS RIPPEY

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1163 National Press Building.

**W**ITH the words "The hearing is closed," Chairman Ezra Brainerd, Jr., of the Interstate Commerce Commission, on March 17 rang down the curtain on the most comprehensive inquiry into the use of automobile trucks and buses and their effect on the destiny of the railroads that has ever been undertaken in this country.

The hearing at Washington, which commenced March 4 and ran through until the 17, climaxed a series of hearings which were held from coast to coast and at which representatives of the warehousing and trucking industries, the railroads and the public were given ample opportunity to present their views on a subject of paramount interest in the transportation world.

The next step in this prodigious investigation will be the preparation and submission to the Commission by Chairman Brainerd and Examiner Leo P. Flynn of a proposed report setting forth their ideas of what the Commission should do toward placing motor vehicles under Federal regulation.

After the proposed report has been submitted, and if the Commission follows its usual procedure, an opportunity will be given for oral argument of the issues involved before the entire Commission. However, it may be that in this case the Commission will forego oral argument.

The report of the full Commission probably will be made some time following the submission of the proposed report. Whether this can be accomplished before Congress convenes in December is a question. At any rate, it seems a fairly safe guess to say that Chairman Brainerd and Mr. Flynn will have their report ready for the solons on their return to Capitol Hill. Even if the Commission is unable to get its decision ready by that time, the proposed report should give Congress a good base on which to build legislation regulating the operation of motor vehicles.

In the two weeks of the final hearing at Washington a score of witnesses paraded before Messrs. Brainerd and Flynn and put their stories into the record, which for the Washington hearing alone made eleven volumes. These witnesses represented every conceivable interest

which had anything to do even remotely with the operation of buses and trucks.

As might have been expected, the big guns were trained on the operation of trucks rather than buses. Testimony on this phase of the investigation came from representatives of practically every railroad in the country, steamship lines, electric railways, automotive associations, warehousemen, and, of course, trucking interests.

A glance over the large amount of testimony taken by the Commission during its hearings (aggregating 6431 pages, including the testimony taken at hearings outside of Washington) gives some idea of the tremendous problems precipitated by any thought of regulation of interstate motor vehicle traffic. Some of these problems seem well nigh insurmountable.

The investigation so far has very definitely established one thing—that trucks and buses are very seriously affecting the railroads and that the transportation habits, both freight and passenger, of the nation are undergoing a revolution, the end of which will lead nobody knows where.

It is unthinkable that the Commission could recommend any legislation which would interfere to any great extent with the rapidly growing business of motor vehicles; yet the Commission by law is charged with the duty of protecting the railroads to the extent that they will receive a fair return.

There is grave doubt, in fact, as to the Government's power to regulate the private contract carrier, which probably is a greater competitor of the railroads than the regularly organized motor transportation lines.

There is not much doubt that something will have to be done, however, if the railroads are to survive. From the testimony so far developed by the Commission it would seem that some method of coordination between the railroads and trucking lines will have to be worked out.

In fact, a suggestion of this nature was made during the Washington hearing by Henry Reimers, Chicago, executive secretary of the National Furniture Warehousemen's Association and general manager of the Allied Van Lines, Inc., Mr. Reimers seemed to think the development of container facilities for handling freight with transportation of containers by both truck and rail would be of tremendous aid.

**M**R. REIMERS also brought out very forcibly some of the things operators of trucking lines should take into consideration if they expect to remain in business, but which many of them now ignore in the rush to garner present profits. Five questions were asked by Mr. Reimers and placed in the record

for consideration by those who are operating trucking lines. The questions were:

1. Is provision made for payment of American standard of wages?
2. Are adequate returns being made or contemplated on capital invested?
3. Is provision made for reserves for

equipment, depreciation, and operation during slack periods?

4. Will operations provide for payment of reasonable taxes?

5. Is ample provision made for insurance to safeguard the public and employees in such operations?

Mr. Reimers said he thought the sub-

ject of truck operation in the past had been treated largely from the viewpoint of a new and better mode of transportation destined to replace rail transportation to a large extent. This belief, he thought, was erroneous. His view was that the problem should be treated from the standpoint of coordination rather than as a fight between two opposing elements.

"The proper place for the common carrier motor truck," he said, "is in coordinated operation with other transportation agencies. The railroads should perform the service which they can most economically do and the motor truck should definitely operate on the exchange of tonnage with railroads, servicing such business beyond the rail lines, or which it can more economically handle."

That Mr. Reimers' idea is sound is indicated by the testimony of John F. Deasy, vice-president of the Pennsylvania Railroad, in charge of the central region. Mr. Deasy said the Pennsylvania had been coordinating truck and rail transportation since 1923 and that at present it was saving more than \$1,000,000 annually.

As a portion of his testimony, Mr. Deasy outlined in detail the experience of the Pennsylvania Railroad with the operation of trucks and the handling of containers in connection with trucks. He believed, with Mr. Reimers, that the railroads could handle long hauls more economically than trucks, but that terminal deliveries should be handled by the motors. Truck competition with his railroad, Mr. Deasy said, was confined almost entirely within 250-mile zones where the rail class rates were the highest.

This witness thought motor buses should be regulated, but he was not so sure about motor trucks.

However, he suggested that if trucks were regulated the operators should be required first to obtain a certificate of public convenience and necessity before either commencing or ceasing operation; second, they should be compelled to furnish proof of financial resources and financial responsibility; and, third, they should keep prescribed accounts and submit prescribed reports to the regulating body.

Appearing as a witness for the New York Central Railroad, G. C. Woodruff, chairman of the board of the United States Freight Co., a holding company for the Universal Carloading & Distributing Co., urged the use of steel containers having a maximum capacity of 10,000 pounds.

Mr. Woodruff said that in its inception the container was not designed primarily to meet motor truck competition, but as truck competition developed it was found to be effective for this purpose, particularly in the handling of L. C. L. freight.

The New York Central, he said, was planning to extend its container arrangements to larger areas to give a more thorough test of the practicability of the plan and rates with a view ultimately to provide service between virtually every point on its lines.

"Going back over the record of container usage," he said, "it is a fact that no firm or individual who has once started to use the container has ceased to use it, except in instances where a particular firm has gone out of business, and there has been universal satisfaction with its use."

Some interesting testimony was introduced by J. A. Streyer, general traffic manager of the American Short Line Railroad Association, an organization of the small railroads, both steam and electric. Mr. Streyer said a survey of members of his association had shown the common carrier truck to be the chief competitor of the small railroads. The contract hauler, the "fly-by-night," truck, and trucks owned and operated by individuals or firms for the handling of their own traffic, were listed as the next most serious competitors, in the order shown.

The witness suggested a number of points which should be covered if it finally is decided that motor vehicles should be regulated by the Government. Among these are certificates of convenience and necessity; proof of financial responsibility; regulation of rates, rules, and practices; a law governing hours of work; mental and physical examinations for motor vehicle drivers; daily inspection of vehicles.

#### Road Maintenance

Thomas H. McDonald, chief of the Bureau of Public Roads of the Department of Agriculture, introduced detailed testimony as to the effects of motor vehicles on the roads, giving the results of tests of various kinds conducted by the bureau.

Mr. McDonald said that in his judgment the heavier trucks and buses, by the higher tax which they were now paying, particularly the gasoline tax, were fully meeting all excess costs of construction of roads; that is, the increased thickness made necessary by these heavy loads.

"That is a statement which will undoubtedly be contested," he said, "but it will be contested largely because the effects on road surfaces of applying loads through a much greatly increased area has never been given the consideration it demands. Using a very common illustration, we have it to some extent in a diamond edge that will cut glass, but if it were blunted, it would not cut glass."

"That illustrates the point, that by spreading out through pneumatic tires, and particularly through balloon tires, the pressure of the wheel loads on the road surface is decreasing their destructive effect to the point of the stresses which they place in the concrete."

The witness said that only a slight increase in road thickness was necessary to carry any truck up to a 5-ton capacity vehicle and that it was not until 7½-ton trucks with new solid tires were operated that a thickness of as much as 4/10 of an inch was required.

"It is my judgment," he said, "that within the course of the next two or three years solid tires will not be permitted on the rural highways by the

laws of the States and that we will be operating our motor vehicles on pneumatic tires exclusively."

Answering a question by Chairman Brainerd, Mr. McDonald said he believed that wheel loads should be limited to 9000 pounds when pneumatic tires were used. If it was desired to move heavier loads, he said, the number of wheels should be increased, maintaining the 9,000-pound concentration.

Mr. McDonald scotched the argument that operation of trucks and buses of itself required wider roads. He said:

"I think it is a fair conclusion, based on the actual utilization of the roads by private automobile and private owners of trucks, to say, so far as the building of our roads is concerned, the main State roads, that the relatively small amount of common carrier usage by trucks, or even the operation of buses upon our highways, makes very little difference in the building of the roads."

"We would be building the roads just as wide and just as thick if there were no common carrier trucks. The relative use is small in comparison to the private use of the highways."

The witness said he would not confine this observation to any particular section of the country, but thought it was true of the country as a whole. Wherever the use of trucks and buses ran high, he said, there was a congestion or concentration of population which made necessary the use of more private vehicles.

Opposition to Federal regulation of trucks was expressed by C. E. Childe, chairman of the highway transportation committee of the National Industrial Traffic League. This witness called attention to the fact that the League had previously gone on record opposing Federal legislation to regulate motor vehicles engaged in interstate commerce as common carriers.

He said the great difficulty, as the League saw it, in all proposals so far made to regulate interstate commerce by trucks, was that regulation was proposed for only a small percentage of the trucks operating on the highways. Common carrier trucks, he said, probably constituted less than 10 per cent of the total of all trucks, and most of these were engaged in intrastate commerce.

"Even if regulation were attempted of all trucks carrying for hire, including the contract haulers, there would remain the privately owned trucks hauling the goods of their owners, comprising perhaps 75 to 80 per cent, or more, of the total number of trucks in use not subject to regulation," Mr. Childe said. "As we see it, therefore, restrictive regulation or legislation applying to common carrier trucks or even to both common and contract carriers would not in any essential way change the competitive conditions between railroad and highway carriers, against which the railroads are complaining, nor would such regulations essentially better the competitive conditions between private carriers and common carriers on the highways."

"Under these conditions we believe



that interstate regulation of common carrier trucks, the few as compared to the many, is impracticable, and the imposition of any burdensome restrictions upon motor carriers for hire, as distinguished from vehicles hauling freight of their owners, would not be in the public interest."

Charles Barham, vice-president and general manager of the Nashville, Chattanooga & St. Louis Railway Co., introduced exhaustive testimony giving the results of surveys made by his line in Tennessee showing the effect of motor vehicle transportation on the railroads, the highways, and the public. The witness described the operation of trucks and buses under present systems of taxation as a "subsidy, enormous in amount and viciously discriminatory in character." The railroads, he said, were fighting for "equality before the law."

Joseph G. Kerr, assistant to the traffic vice-president of the Louisville & Nashville Railroad, also covered the situation exhaustively, giving the results of an intensive survey of motor vehicle operation made under his direction. Mr. Kerr said this survey showed that his railroad paid out in taxes, maintenance of roadway, and interest, about 31 cents on every dollar it earned, whereas motor truck and bus lines which parallel the railroad paid only between 6 and 12 cents out of every dollar.

"It is no wonder we find these motor lines paralleling us from one end to the other and taking these enormous quantities of freight and so substantially reducing our revenue," he said.

The witness spoke of the serious economic results from the curtailment of railroad service. He said that on a branch line of the Louisville & Nashville, operating from Lexington to Bloomfield, Ky., a distance of 231 miles, the railroad had been forced to dispense with nearly thirty station agents or clerks whose salaries aggregated \$3,319 a month. He blamed this largely on truck competition, and said that because the agents or employees dispensed with were in small towns or cities, their discharge represented an economic loss which was difficult to replace.

The operation of trucks and buses to the same towns and cities did not make up this loss to any extent, he said.

The public policy of taxing motor carriers less heavily than rail carriers was directly subsidizing unfair competition with the rail carriers, according to Thomas Conway, Jr., president of the Cincinnati & Lake Erie Railroad. Dr. Conway said reports filed with the Ohio Public Utilities Commission showed that a large part of truck and bus operation in that State was conducted at a loss, without regard to any return on the investment, and despite the fact that taxes paid by such operators were substantially less than those paid by the rail carriers.

"It is obvious," he said, "that if the taxes on bus and truck operations in Ohio were nearly equal to the percentage on the gross revenue paid in taxes by the rail carriers, a large proportion

of such motor carriers would be operating at a substantial deficit.

"In my judgment this condition was brought about largely by the fact that these intrastate certificated carriers are operated without effective regulation, without effective coordination of such motor transportation with rail transportation, because of the competition of so-called freight contract carriers with certificated common carrier truck lines and because of the operation of certain motor transportation routes which are not economically justified. If all of these matters were properly regulated, it is very doubtful if any substantial number of motor carriers could operate at their present rate levels at a profit."

The express company has lost an enormous volume of traffic to trucks, principally to the contract and privately-owned vehicles, according to George S. Lee, vice-president in charge of traffic of the Railway Express Agency, Inc. The witness said his company had just completed a nation-wide survey of truck competition, conducted through its eighty-four superintendents.

Reports of this survey, he said, contained a mass of information with respect to loss of express traffic to trucks. It was impossible to determine accurately either the volume of tonnage or the amount of revenue lost by the diversion of this business to trucks. The company's greatest losses were to the contract carriers and the shipper-owned trucks, Mr. Lee said. Common carrier trucks apparently were not cutting into the express business as heavily as the two other kinds, he said.

Trucks had taken traffic of every character from the express company, Mr. Lee said, enumerating fruits and vegetables, berries, poultry, eggs, fish, food products, bread and bakery products, ice cream, and other commodities.

J. R. Van Arnum, traffic manager of the National League of Commission Merchants, gave the Commission a report of a survey of the effect of motor truck transportation on perishable commodities in which members of his League were interested. The survey showed that most of the responsible shippers and receivers of perishable commodities by truck were in favor of some form of regulation which would protect them against irresponsible elements in the trucking business without unduly hampering the development of the truck.

The suggestion by J. F. Deasy that the railroads expand the use of containers in connection with truck and rail shipments was heartily endorsed by William H. Chandler, appearing for the Chain Store Traffic League of New York.

"I consider the statement made by Mr. Deasy the most constructive suggestion that has so far been put in by the railroads," Mr. Chandler said. "I believe if the railroads could get together with the shippers' organizations and could work out something along the line that Mr. Deasy has suggested, it would make it unnecessary for the Interstate Commerce Commission to bother itself about legislation; that is, a lot of the legislation that has been suggested.

"Whether the railroads could give the service between stations where the motor body was handled by rail and then taken from the rail to destination, there is some question in my mind. If that could be worked out, it would certainly be a very helpful solution, but Mr. Deasy says he is not in favor of regulation that will strangle the motor trucks and we can go along with him wholeheartedly in his suggestion."

The question of land grants to railroads was treated by C. S. Duncan, economist of the Association of Railway Executives, who deprecated the argument that the railroads had received subsidies from the Government in the form of land at the time they were first laying their rails across the continent.

Altogether, he said, the railroads had received title to approximately 128,000,000 acres of land. He declared that the designation "land grants" was something of a misnomer. In almost all cases, he said, the so-called grants were bargains in which the Government usually received the advantage. The advantage was the condition attached to the grants which required reduced rates on Government mail, material, and troops.

He said his association had undertaken a study of the amount saved by the Government year by year from these reduced rates and fares, but that the information was not sufficiently complete to enable it to present a statement. He said the information the association had was sufficient to show the returns to the Government had been far in excess of the value of the lands. Mr. Duncan estimated the saving to the Government at approximately \$5,000,000 a year.

Urging regulation of motor vehicle lines, Alfred P. Thom, general counsel of the Association of Railway Executives, and of the American Railway Association, said the railroads did not ask that motor vehicle competition be removed or destroyed. All they asked, they said, was that the terms of competition be fair and equal.

He said his association believed that regulation should extend to passenger common carriers and charter busses (but not to taxicabs, school busses or hotel busses) and to common carrier and contract motor carrier trucks operating on the highways for compensation or hire. At this time the association was not recommending regulation of owner-operated trucks operated solely in the business of the owner.

Mr. Thom said the motor vehicles should be subject to the Interstate Commerce Commission and should be compelled to take out certificates of convenience and necessity; assure quality and permanence of service; show financial responsibility; keep proper accounts; be subject to rate regulation.

He said opportunity should be given for rail carriers to engage in motor vehicle service on the highways on equal terms with others, and without discrimination in favor of, or against, other transportation agencies in the same field.



# Moving Day in New York Half a Century Ago

Drawn for "Harper's Weekly"

—May 2, 1874—

By SOL ELTINGE, JR.

▲ ▲ ▲



I hope you are satisfied now, Marm;

I hope you are pleased tonight:

We've got all the furniture in, Marm,

And every thing seems to be right.

There's a knob, though, off your bureau,

But the cabinet-maker is near:

If you will insist upon moving,

I wish you would pay for it, dear!

Of course we can't have any supper—

The dishes are all packed away;

Besides, the stove grate is broken;

There are sandwiches, though, as you say.

You ought to have some in your basket—

No, thank you, not any for me;

When you are a little more settled,

I think I'll go out—and get tea!

The silver is safe in the closet,

Except that the cream-jug is gone.

If taking on, Marm, would restore it,

I'd willingly let you take on;

But it won't: I must buy you another—

I'll see it's a cheaper one, too.

Your portrait is safe, as you see, Marm—

Or was, till the stove-pipe went through!

## ▲ The First of May ▲

Set the children down any where, Bridget—

An armful like that isn't light;

Put them to bed if they're sleepy,

But don't take their shoes off to-night:

Whatever room you go into,

Nothing but tacks will you meet;

Every tack on its head is standing,

To run in their dear little feet.

You'd better take care of your poodle,

And put him to sleep in your muff:

If he happens to tread on a tack, Marm—

They say that one tack is enough—

Look out at once for the children,

For the days are uncommonly hot:

You may like to have the dog bite you,

I frankly confess I would not!

Were there ever such fools as we, Marm?

We were well enough off last year;

You liked the house when I hired it—

"It is just what I wanted, dear!"

I bought new carpets and oil-cloths—

What didn't I buy you, pray?

But nothing would satisfy *you*, Marm,

But moving again today!

Have you been over the house, Marm?

I have—and what did I see?

There are Croton-bugs in the kitchen,

And a very industrious flea!

Why, the mice walk out of their holes, Marm;

They are taking it mighty cool;

I think I know what they're thinking—

"Here's certainly one more fool!"

Bridget, make up the bed for your mistress,

And nobody sit up for me:

I'm going around to my club, Marm,

For something stronger than tea!

I've but one more thing to say, Marm,

In view of you and the day—

She was born on the First of April

Who invented the First of May!

# Keynote and Highlight

Random Writings  
by the Editor

## "Afraid of the Truth?"

ALVAN T. SIMONDS (of Simonds Saws) had, in the April issue of *Nation's Business*, an article titled "Business Is Afraid of the Truth." His thesis is that the American business journal and the business man who reads that magazine do not want to publish or read anything that is unhappy or unhopeful, and so conditions are actually aggravated by the refusal to face facts.

To what extent may that thesis be said to apply to warehousing? We have in mind the motor freight line situation. Two years ago we began publication of a series of editorial articles pointing out that motor freight lines depots were in many parts of the country being converted into storage buildings and that the operators of the motor freight lines were thus taking shippers' storage and distribution accounts from established warehouses long accustomed to enjoying them. Statements published were based on personal survey and on letters received from warehouse executives.

There was no controverting the facts. The situation as outlined in the articles was admitted to be true.

The question came up as to whether the facts should be published. It did not come up in *Distribution and Warehousing's* view. It came up in the minds of some of the storage executives who said they believed—and they so hold today—that we ought not to give publicity to the situation notwithstanding that it was concededly doing harm to the industry. The apparent thought of those who professed that belief was that by telling the facts we would at the same time be suggesting warehouse operation to motor freight line operators whose ideas had not been directed along that line.

*Distribution and Warehousing* believed then, and has not altered its opinion, that more good than harm would be done by not being afraid to publish the truth. No policy of silence, editorially on our part, could avert a spread of the idea, among motor freight line operators, that depots might profitably be turned into warehouses. But a policy of stating facts might

—and in many instances it did—arouse from lethargy many warehouse executives who just hadn't looked upon the motor freight line operations as a menace to their storage accounts. In certain cities, such accounts had actually been taken away by freight line depots which became warehouses almost overnight. Why not warn warehousemen in other communities that the trend was inevitable and that they, too, were certain to lose accounts unless they themselves did the motor freight line operating? It seemed the honest, logical, intelligent step to be taken by a business journal sincerely endeavoring to serve an industry.

As Mr. Simonds pointed out in *Nation's Business*, conditions are aggravated by refusal to face facts. The man with facts before him can analyze and plan and then act to avert further harm.

Incidentally the motor freight line continues a serious problem for warehousing. Here are three recent examples:

In Portland, Ore., plans have been filed for the erection of a one-story warehouse for the Consolidated Freight Lines, Inc., at 651 Quimby Street. The structure, 27 x 150 feet, will cost about \$11,000.

In Des Moines, Iowa, the Des Moines Motor Freight Depot has filed plans for a one-story warehouse and freight terminal, 36 x 140 feet, at Fifth and Tuttle Streets, to cost \$45,000.

In Tulsa, Okla., the Southern Kansas Stage Lines, of Wichita, Kan., have leased property, 140 x 150 feet, at Bradley Street and Cheyenne Avenue, for a truck terminal and warehouse, with dock for loading and unloading, reported to cost more than \$60,000.

Developments of this character are proceeding in many parts of the country.

The motor freight depot converted to warehousing means new competition for established companies, with consequent loss of some accounts.

Control of such depots, or co-operation with them, is a solution of this problem. In certain territories, warehousemen are doing just those things, one or the other. In other localities the storage executives are standing idly by and

letting motor freight interests get the jump on them. Action today is essential—before it is too late.

Let us face the facts, in this and in other situations, and proceed accordingly. Lack of correct information leads to wrong planning.

## It Makes for Bolshevism

THERE IS A LIMERICK about the man who went berserk and "with a hell of a yell" did something or other, and the merchandise storage executives beset with Government competition must be in the same mental status when they contemplate Federal activities and indifference affecting the tax-paying warehouse industry.

The Government, not content with operating a waterways terminal system that takes revenue away from established warehouses, has now blithely slipped over another fast one on our industry, and certainly warehousing has justification for feeling bitter about it.

As recounted in our Washington correspondence last month, the Senate, in the closing days of the recent Congress, enacted H. R. 7, earlier passed by the House, amending the United States Warehouse Act so as to make that Act independent of the laws of the States—a Department of Agriculture idea which the A. W. A. had long opposed.

Entirely aside from the merits or demerits of the legislation itself, warehousing's bitterness arises from the furtive way in which the Senate Committee on Agriculture and Forestry acted.

Late in February the Committee held a hearing.

Our Washington story (April issue) said:

"The changes in the law were urged principally by officials of the Department of Agriculture, and in the hearing before the Senate Committee no one appeared in opposition."

The April 15th *Bulletin* of the merchandise division of the American Warehousemen's Association said:

"Seven days before the termination of the last Congress the Senate Committee held what its printed proceedings call a hearing,

but the A. W. A. was not invited to it nor did it receive any notice as to the holding of such a hearing."

The *Bulletin* states that no notice was received notwithstanding that the A. W. A. has, in its files, the Committee's written acknowledgment of the A. W. A.'s request that the A. W. A. desired to be represented at hearings.

But while the A. W. A. was not invited, "the Committee saw to it," says the *Bulletin*, "that the Government proponents of the legislation were on hand"—resulting in what the *Bulletin* calls a "star-chamber conference," whereafter H. R. 7 was rushed through the Senate on Feb. 26.

That is not all. Before President Hoover had signed the bill, Elmer Erickson, general president of the A. W. A., sent a long and vigorous telegram (see page 58 for text) to the White House. Mr. Erickson called Mr. Hoover's attention to the Senate's failure to give warehousing reasonable opportunity to be heard in advance, and protested "against such ruthless ignoring of the rights of American citizens and business men to be heard with respect to" legislation. He urged the President to veto the bill.

The wire was sent on March 1. Four days later the President's secretary wrote Mr. Erickson that Mr. Hoover had approved the bill on March 2. The secretary's letter did not state, and it would be pertinent to know, whether the President read the contents of Mr. Erickson's telegram before he affixed his signature.

When Congress gives business a poke under the chin it has only itself to blame if business retaliates by overturning an Administration politically.

**Directory Accuracy** A CENTRAL WESTERN warehouseman writes that when selecting consignees for shipments he makes it a practice to refer to the "DandW" Warehouse Directory. He adds:

"We notice that in your 1931 issue there are not the listings that were in your 1930 issue. In looking up a number of warehouses in this State, we did not find them in your 1931 issue. We were fortunate that we had a 1930 issue on hand. We are anxious to know why there should be 120 listings for this State in your 1930 issue, and only 35 listings in your 1931 issue. Do you think that 'DandW' is going to mean what it should to the warehousemen without these listings?"

Yes and no. "Yes"—because we were unable to ascertain whether the 85 firms (the difference between 120 and 35) are still in busi-

ness. "No"—because some of the 85 are undoubtedly actually operating, and their listings should, in the best interests of the industry, have been in our 1931 Directory.

Why aren't they there? Because they failed to let us know, one way or the other, whether they still exist.

In correspondence, last fall, we asked them, each one, several times. We sent them their 1930 listings for revision. No response. No answers to second and third requests. Our fourth letter warned them that unless they indicated they were still professionally alive, their listings would be dropped from this year's book.

But, as we told the central western executive in reply to his query:

"We can't use dynamite or Court orders to force replies. If a company is so indifferent that it doesn't care whether it has a representative listing, without cost to itself, in its own industry's national directory, you will perhaps grant that it smacks of poor business judgment. And it would be poor business judgment, on our part, to list, year after year, earlier-returned information from such companies when, for all we know to the contrary, they may meanwhile have gone out of business. Unless the national distributors and warehousemen have confidence in our Directory, we might as well quit publishing it. They won't have confidence if they find we are listing non-existing companies."

A case in point:

In our 1930 Directory we listed a Texas warehouse firm which had not replied to our letter asking for a revision of its 1929 listing. That Texas listing should not have been published in 1930. In 1930 a manufacturer, consulting the Texas city in question, consigned a carload of goods to the listed warehouse—without making any advance arrangement. That shipper depended on our Directory for accuracy.

The Texas company had gone out of business some time in 1929; Someone connected with the company had, subsequently, received our letters asking for revision of its 1929 listing for our 1930 Directory—and that someone had tossed the requests aside and failed to let us know that the firm was out of business.

As a well known "ad" says: "Imagine our surprise!" And imagine, also, our embarrassment when the manufacturer wrote us of his predicament and demanded to know how come we had published the listing of a company non-existent.

It taught us a lesson. It suggested we be more guarded.

So we were more guarded in

preparing the 1931 Directory. We made every reasonable effort, at some time and expense, to find out from the 85 firms referred to in the central western warehouseman's letter as to whether they were still in business. The information not being supplied, we were compelled, in fairness to those who depend on the Directory, to omit them all.

All 85 will, this coming autumn, receive questionnaires for our 1932 Directory. If they cooperate, they will have listings in 1932.

It is suggested by the Business Information Bureau of the Cleveland Public Library that "a man's judgment is no better than his information." On that basis the institution has filed for reference the January issue of *Distribution and Warehousing* by reason of the latter's publication of S. C. Fulton's survey of the furniture moving industry in Cleveland.

That's gold in them thar words. They are worth repeating:

"A man's judgment is no better than his information."

And so business journals are published.

"A Symbol of Security" is the title of a small direct mail booklet just issued by Lee Brothers, Inc., New York City. It is the finest piece of literature of its kind that has emanated from the industry in a long time, and every storage executive who is planning anything of the sort should get a copy of the Lee pamphlet before sending his order to his printer.

File page 10 for reference. And read it first! This Government waterways competition case may go to Congress, in which event the united support of the warehouse industry will be essential—and page 10 reviews the facts for ready consultation. Extra copies will be supplied on request.

General Motors has done household goods warehousing a distinct service by issuing the survey-report mentioned on page 57. And pays warehousing a tribute by selecting it as among the first ten major industries among the users of trucks.

When a quarter of a million people pay good money to see eight major league baseball games on one day, business can't be so bad!

Secretary Stimson is probably an average husband. He is so easily misunderstood.

—K. B. S.



# When Customer May Rescind Warehouse Contract

Fortieth of a Series  
of Legal Articles

By LEO T. PARKER

Attorney-at-Law

A VALID contract is an agreement between two or more persons whereby each agrees to perform a specified service or benefit to the other.

When the owner of goods agrees to store them in a warehouse the warehouseman *expressly* contracts to perform certain services, defined in the storage agreement or receipt, and in addition thereto he impliedly contracts to perform other duties, such as exercise ordinary care to safeguard the goods against loss or damage by fire, water, theft, or other causes.

It is well settled that delivery of stored goods by a warehouseman to any party, except the owner or his agent, is breach of the storage contract for which the warehouseman is liable.

For instance, in a leading case (164 N. E. 127), the

testimony proved that a married couple stored household goods in the name of the wife. Subsequently the wife obtained a divorce without knowledge of the warehouseman. Soon afterward the ex-husband called at the warehouse and obtained possession of the goods. When the ex-wife discovered that the goods had been delivered to her former husband she sued the warehouseman for full value of the goods. In holding the warehouseman liable, this Court said:

"It was the property of Mrs. Martin and the contract with the storage company was with her. . . . When the storage company delivered this property over to the husband, he was not the owner of it; they [warehouse company] violated their duty. . . ."

IN still another leading case (258 Pac. 186), it was disclosed that a customer stored merchandise in a warehouse and received the usual negotiable warehouse receipts. Later the customer endorsed the receipts to a bank as security for a loan. When the patron had opportunity to sell the stored merchandise he obtained permission from the bank to complete the sale, but he did not obtain the receipts from the bank. He went to the warehouseman and explained and explained that there would be no risk in delivering the goods to him because he intended to settle with the bank as soon as he received the money for the goods, which he could sell immediately. It had been customary, when goods were pledged to a bank as security for a loan, for the owner to dispose of the merchandise without presenting the receipts and afterward pay to the bank the amount which had been previously borrowed. Therefore, the warehouseman did not hesitate to deliver the merchandise to its customer without demanding the receipts, but simply obtained verbal consent from the bank officials to deliver the goods.

When controversy involving payment of the borrowed money arose between the warehouseman's customer and the bank, the latter sued the warehouseman to recover the amount due, on the ground that the warehouseman was liable for the value of the goods because the merchandise had been delivered without presentation of the receipts.

The warehouseman contended that although the law provides that stored goods shall not be delivered without

presentation of the negotiable warehouse receipts, or a written order from the holder of the receipts, yet no liability could arise because the bank had verbally instructed him to deliver the goods to the patron. Also it was a well known custom in this locality that in transactions of this kind the warehouseman would deliver merchandise on verbal orders given by holders of receipts.

Although the lower Court held the warehouseman not liable, the higher Court reversed the verdict and held the warehouseman liable to the bank for delivering the goods without presentation of the warehouse receipts or a written order. This Court said:

"This whole case may be condensed in practically one proposition: Was Grafton the only authorized agent of the plaintiff bank to the extent of authorizing him to cause the goods to be shipped without presentation of the receipt to the warehouseman? It is an important question, largely depending for its solution upon the construction of the law as indicating the intent of the lawmakers in enacting it. We take it that the object of the law, as shown by its many provisions, was to see that each step taken, beginning with the deposit in the warehouse and the issuing of the receipt to the final delivery of the goods by the warehousemen to the holder of the receipt, should be evidenced by some statement in writing. . . ."

## Liability for Stolen Goods

STOLEN goods, capable of being identified, always belong to the person from whom they were stolen. Therefore, a warehouseman who issues negotiable

or non-negotiable warehouse receipts for stolen goods is liable if he delivers the merchandise to any person other than the owner, if he knows that the goods were stolen. Moreover, this rule of the law is applicable although the receipts are presented by a person who purchased them from the original holder of such receipts.

For example, in the leading case of *Bush v. Ogletree*, 142 S. E. 463, it was shown that a warehouseman delivered stored merchandise on presentation of warehouse receipts, after being informed that the goods had been stolen. The owner of the property sued the warehouseman to recover the value of the merchandise. The warehouseman attempted to avoid liability on the ground that he had delivered the goods to a *bona fide* holder of the receipts. However, the Court held the warehouseman liable, and said:

"Where goods are stolen and deposited by the thief in a warehouse, their delivery by the warehouseman to the depositor, after notice of the theft and of the true ownership of the property, renders the warehouseman liable to the owner as for a conversion."

## Storage Contract

ANOTHER act on the part of a warehouseman that is a legal breach of a contract, entitling the owner of the goods to rescind the storage contract and sue the warehouseman for damages, is where the warehouseman without consent of the owner, removes goods from the warehouse in which the warehouseman agreed to store them.

In fact various Courts have held that

a warehouseman is liable as an insurer against loss or damage to stored goods if he fails to store them in the building, or the particular location in the warehouse, in which the patron directed that the merchandise be stored and the warehouseman expressly or impliedly agreed to abide by the patron's directions.

For illustration, in a leading case (99 N. E. 189), an owner of goods directed the warehouseman to store his merchandise in a certain room in the warehouse. The warehouseman agreed to do so but, without knowledge of the owner, he stored the goods in another room. One night the warehouse caught fire and the merchandise was destroyed. The owner filed suit for the value of the goods and, although the fire did not result from negligence of the warehouseman or his employees, the higher Court held the owner of the goods entitled to a recovery, saying:

"Fire is an ordinary and frequent agency of destruction or injury, and safety, as against it, was in the contemplation of the parties when they agreed that property should be stored in the specified room. Had the property been there stored, the plaintiff would have assumed all the risks of injury to it, except those ordinarily imposed by law upon the defendant as bailee. . . . The defendant [warehouseman] violated his agreement, and therefore is liable."

Another higher Court (105 Pac. 11) stated the following important law:

"An agreement to keep property in a certain kind of a building is not satisfied by placing and keeping it in a different kind of a warehouse, and especially one less secure than the kind of warehouse provided for in the agreement."

In still another case (128 So. 277) the Court held a warehouseman liable for loss of furniture by fire where it was shown that he removed the furniture from the warehouse, without knowledge of the owner, to wrap and crate it. In this case, also, it was proved that the warehouseman had exercised care to prevent occurrence of the fire. It is interesting to observe that this Court said:

"The warehouseman was, in no sense, responsible for the fire, nor was he guilty, after the fire started, of any negligence in failing to save the furniture. If defendant [warehouseman] is liable at all it is because he removed the furniture with its contents to a place other than the one agreed upon for its storage. . . . We think that defendant [warehouseman] removed the furniture from the place agreed upon for its storage at a time when it had no authority whatever to do so, and thereby actively violated its contract."

If, however, the goods are not capable of identification, such as grain, then a different ruling is applicable. Under the latter circumstances the warehouseman is not guilty of conversion.

For instance, in *Stevens v. Wilson, Inc.*, 261 Pac. 399, it was shown that a warehouseman issued tickets for each load of wheat, as it was received, giving the quantity and the serial number of

the bin into which the wheat represented thereby had been stored.

Without permission of the owner of the stored wheat the warehouseman removed it from the bins specified on the receipts. The warehouse burned without fault of the warehouseman or his employees, and the owner of the goods sued for damages, contending the warehouseman was guilty of conversion when he removed the wheat from the bins.

However, it is interesting to observe that the Court held the warehouseman not liable, and said:

"The warehouseman selects the bin for the convenience and from the necessities of the business, and may meet the depositor's demand so long as he delivers the proper kind and grade from any bin in the warehouse which his con-

### Next Month

**T**HE validity of restrictive State laws and city ordinances will be discussed by Mr. Parker in his next article, to appear in the June issue.

Police powers of a municipality; taxation of motor trucks from other States; public utility commission interpretations; public convenience certificates; Federal Court jurisdiction—these and kindred phases will be considered.

venience or necessity dictates. . . . The mere emptying of the bin or of the warehouse . . . does not establish conversion without the added showing of demand and refusal."

On the other hand it is important to know that, as a general rule, any act on the part of a warehouseman which violates a stipulation in a verbal or written storage agreement is a legal breach which entitles the patron to rescind the contract and recover all damages sustained as a result of the breach. Moreover, impossibility of carrying out a storage agreement does not relieve the warehouseman from damages.

For example, in one case a warehouseman agreed to send a truck to a patron's home at 5 p. m. on the last day of the month to obtain a load of furniture for storage. The truck driver misunderstood the order and did not arrive until the following day. The landlord compelled the patron to pay a full month's rent because he failed to get out of the house before midnight of the last day of the month.

The patron sued the warehouseman and recovered the amount of this last month's rent as damages resulting from the warehouseman's breach.

In another case a warehouseman contracted to perform certain hauling within a specified period. He failed to complete the job on time, resulting in damage to the patron, who sued to recover damages.

The warehouseman attempted to avoid liability on the ground that two of his motor trucks became disabled, which resulted in it being impossible for him to complete the contract within the specified period. Notwithstanding this excuse, the Court held the warehouseman liable and explained that a man must perform the work he contracts to complete, irrespective of unusual occurrences.

### Double Payment

**T**HE law is well established that either party to a contract is legally entitled to rescind it if the other without knowledge of all parties accepts payment from two different parties involved in the transaction. In other words, a warehouseman is not permitted to accept payment from both the owner of goods and the holder of a mortgage thereon, unless all parties are informed of the arrangement and agree to it. This same rule applies to all employees and others who are engaged to perform services.

For illustration, in *Donemar, Inc., v. Molloy*, 169 N. E. 610, it was disclosed that a proprietor and his customer became involved in controversy over the payment for services rendered. The proprietor sent his employee to interview the patron and it was alleged by the employer that the patron secretly promised the employee a certain amount of money if he would induce his employer to settle the account for a minor sum. The employee reported to his employer that the patron would not settle for less than this amount. The patron paid this small amount to the proprietor, who subsequently sued the patron to recover damages.

The lower Court held the proprietor entitled to recover a small amount of damages, and the higher Court indicated the full liability of a patron where it is proved that he bribes or secretly pays a proprietor's employee.

### Blank Instruments

**F**EW warehousemen realize that delivery of an incomplete bill, note, order blank, or other instrument, as where it is delivered with blanks left for the insertion of the amount or terms of agreement, or where a signature on a blank paper is delivered with the intention of having a complete contract written over it, confers *presumptive authority* on the person to whom it is delivered, and also on subsequent holders, to fill in the blanks in a manner in general conformity with the character of the writing. This rule is applicable to a non-negotiable instrument as well as to a negotiable instrument. The latest case on this subject is *Cassetta v. Baima*, 288 Pac. 830.

The facts of this case are that a man named Baima gave to another a signed receipt containing blank spaces and no date. The latter sold it to a purchaser who filled in the amount, the date and other information. Later Baima refused to fulfill the obligations and the purchaser filed suit. Baima attempted to avoid liability on the ground that only

the person to whom he had delivered the instrument could lawfully fill in the blanks. However, it is interesting to observe that the higher Court held Baima liable. Therefore it is quite apparent that a warehouseman who fails to fulfill obligations included in blanks of his signed contract performs a breach which may entitle the customer to rescind the storage contract and recover damages.

#### When Lien Is Valid

At any time a warehouseman accepts goods for storage when knowing that an unrecorded mortgage on the goods is in existence, or with or without knowledge of a properly recorded mortgage, he must obtain from the holder of the mortgage a written consent to the storage, and a promise to stand responsible for charges; otherwise the mortgage is prior to the lien and the warehouseman may be unable to collect for his services. Obviously, therefore, if a warehouseman sells mortgaged property he is liable to the mortgagee for full payment of the mortgage claim.

Under various circumstances a warehouseman has considerable difficulty in ascertaining whether a chattel mortgage is recorded against goods on which he claims a lien. However, the necessity of warehousemen making the required investigations to learn whether goods intended for storage are mortgaged is well illustrated by the outcome of the recently decided litigation of *Holloway v. Merchants' Transfer Co.*, 294 S. W. 989.

The facts of this case are that certain furniture was mortgaged by its owner, who gave a note to the mortgagee. This mortgage was duly recorded by its holder, who later filed suit against the owner of the goods and obtained a judgment on the note and foreclosure of the chattel mortgage. Soon afterward the

owner of the building in which the furniture was located obtained a legal writ to place all of the furniture on the sidewalk in front of the building. A warehouseman was ordered by the chief of police to store the goods.

The warehouseman, being unable to collect storage charges, sued the city and the holder of the mortgage to recover storage charges.

After thoroughly considering all details of the testimony the higher Court rendered a judgment holding the chattel mortgage superior to the warehouseman's lien, and thereby relieved the holder of the mortgage of all responsibility for the warehouseman's charge of transporting and storing the furniture. This Court in effect said:

"The holder of the mortgage had nothing to do with placing the property in the hands of the warehouseman, and under no conceivable theory can he be held obligated for the storage. . . . The chattel mortgage was superior to any lien or claim upon the furniture asserted by the transfer company."

Another important point of the law is that once a warehouseman gives up possession of stored goods he forfeits his rights to a lien to secure payment of his charges.

For instance, in a leading United States Court case (20 F. [2d] 74), it was shown that the owner of stored goods withdrew some of them from the warehouse. Later the owner paid all charges on the goods which remained in storage, but refused to pay charges on the goods removed from the warehouse. The warehouseman attempted to hold the stored merchandise as security for charges due on these goods and those previously removed from the warehouse.

Therefore, the important questions presented the Court were: (1) May a

warehouseman retain possession of property in his control on which no money is due from the owner, and (2) does the warehouseman have a lien on stored merchandise on the contention that its owner owes money for services rendered by the warehouseman on other goods presently in possession of its owner?

The Court answered both questions in the negative, explaining that a lien is lost when the merchandise on which service has been performed is *surrendered to its owner*, and that other property of the debtor on which no money is due cannot be held to secure the lien for charges on other goods. The Court stated the law as follows:

"The lien gives security for the amount due him for the work, but possession of the property is essential to the lien. Surrender of possession and the giving of credit to the owner of the property destroyed by the lien. . . . A lien cannot arise, where, from the nature of the contract between the parties, it would be inconsistent with the expressed terms or the clear intent of the contract. . . . A special contract to accept a particular mode of payment by a demand, or to give a time or credit for the payment, is inconsistent with a claim to retain the possession of the property until the payment is made, and consequently there is no right of lien in such a case."

#### Handling Exposition

Announcement was made in New York recently that the first National Exposition of Mechanical Handling, to feature exclusively this special type of equipment, would be held from Nov. 30 to Dec. 5 next in the Grand Central Palace in that city.

A list of the tentative exhibits includes conveyors, barrel-making machinery, chutes, containers, gravity conveyors, labels and brands and stencils, lubricants, material handling machinery, motors, packing and packaging machines, platforms, shipping room equipment, storage batteries, unloaders, weighing machinery, winches, and wire and steel strip tying material.

#### Correction

In the National Furniture Warehousemen's Association San Antonio convention picture published on page 20 of the March issue of *Distribution and Warehousing*, the second man from the left, in photo No. 3, is W. A. Moore, president of the Boulevard Fireproof Storage, Inc., Milwaukee.

In error he was identified as G. A. Wright of Marion, Ohio.

#### Struck in New Britain

E. J. Struck, for the past three years with the Thomas J. Stewart Co., New York, has joined the Hardware City Storage Co., New Britain, Conn. He has taken charge of the New Britain firm's rug and carpet cleaning department.

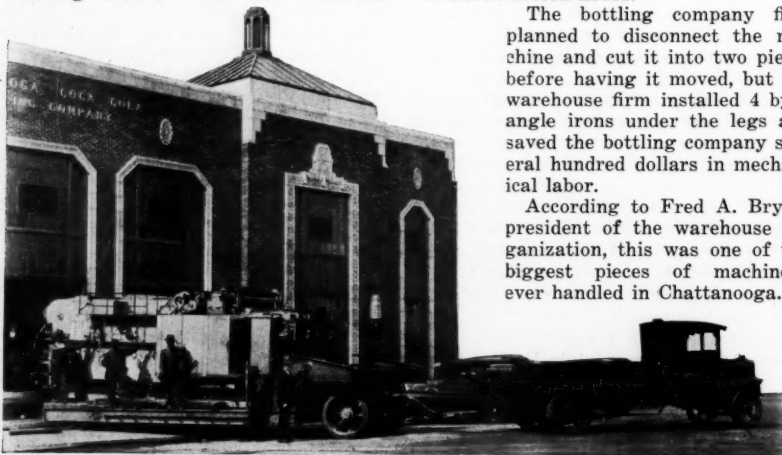
### Chattanooga Co. Saves Money for Coca-Cola

THIS illustrates the recent moving, by the Chattanooga Transfer & Storage Co., Chattanooga, Tenn., of a bottle washing machine for the Coca-Cola

Bottling Co. of that city. It was transported intact, without damage, from Coca-Cola's old plant to the new one, in about fifteen hours.

The bottling company first planned to disconnect the machine and cut it into two pieces before having it moved, but the warehouse firm installed 4 by 6 angle irons under the legs and saved the bottling company several hundred dollars in mechanical labor.

According to Fred A. Bryan, president of the warehouse organization, this was one of the biggest pieces of machinery ever handled in Chattanooga.





H. A. HARING'S

# Developing New Business for Warehouses

No. 66

"Automatic Merchandisers"  
and Vending Machines

MORE than forty years ago—in 1888, to give the date—Adams of "Tutti Frutti" chewing gum fame brought out the first vending machine. After a first flush of popularity which extended for eight or nine years, there followed a long period when automatic vending was generally despised. Slugs could cheat its owner of coins just as soon as he offered anything worth five or ten cents, or a quarter; while, for the penny-machines, the potential income was too small.

Then, following 1907 or thereabouts, came a succession of inventions to check the slug. Electrical devices and similar clever mechanisms have, in our own day, pretty thoroughly circumvented the fellow who tries to "beat the machine." This statement does not mean that slugs are not found in the coin box. They are. But, for higher-priced vending equipment as put out by the reputable manufacturers, the coin mechanism is, for practical purposes, slug-proof. It is built with the accuracy and precision of a bank's vault door. It rejects all iron slugs, or brass, or lead. Solder slugs meet the same fate. The machine rejects all slugs with holes. When a slug is stuck in, the machine thoughtfully returns it—so that it can not clog the coin device and thus prevent genuine coins from delivering the goods. The mechanism, furthermore, displays to each passing eye the last coin "played" so

that the passer of spurious money must quickly move from the spot or risk detection.

Developing coincident with the slug-proof equipment has been the effort of all retailers to reduce the payroll. As well we know, "automatic merchandisers" have become common. We have restaurants, known as "automats," where a meal comes forth in response to coins; we have soft-drink parlors, where every concoction on the market is automatically poured into a glass for the thirsty customer; we have, everywhere, vending machines to catch stray coins during an idle moment. And, early in 1931, four of our great chain stores announce a venture into robots.

On the theory that, when buying from a chain store, the customer does everything but wrap the parcel and make change, these stores are now experimenting with machines to perform these two operations. Their clerks require little brains, as it is. A machine can do no worse than some of them do. Therefore, led by Woolworth, these chain stores are equipping whole departments on their floors with vending machines, through which they will offer all goods of such shape and nature that they can be pre-packaged and accommodated to the automatic conditions of a machine.

THE vice-president of the United Cigar Stores, A. Grant, says on this point:

"We are not trying out machine selling with the view to eliminating our clerks. Our whole idea is to supplement them. We want to take from them the burden of what might be called mechanical selling, with a view to improving service for customers who really require their attention. Analysis of our sales shows that about 60 per cent of the clerks' time is practically automatic."

That automatic vending is economically sound is the belief of Roger W. Babson, who suggests:

"Why is it necessary to take up a sales person's time when you are buying Smith Brothers' cough drops, Three-in-One oil, Gillette blades, Williams' or Mennen's shaving soap, Lucky Strikes, Fatimas, Camels, etc.? The coin-in-the-slot principle is economically so sound that if coins such as 15-cent pieces would increase convenient purchasing, the Government should mint them."

"This basic principle ought to be readily applied to a great variety of products besides gum and cigarettes, and sales ought to increase five-fold or ten-fold in a short time."

Following this thought, thousands of automatic vending machines have been introduced in their retail stores by Woolworth, Kresge, McCrory, Metropolitan, W. T. Grant, Schulte, J. C. Penney, Union News, United Cigar, Happiness Candy Stores, Walgreen Drug, Owl Drug and the Liggett Drug (Rexall groups) and similar chains of stores.

## Endless Possibilities

MANUFACTURERS who advertise their products nationally do not overlook the lowly vending machine. Being the best form of store advertising "at the point of sale," the robot reinforces general advertising. It makes the consumer conscious of the product right at the place where he is able to obtain it.

The vending machine is able "to go where money is." It enjoys 100 per cent of flexibility. The machine may be moved in an hour from a poor location to a more promising one. It follows the crowd as no retailer can hope to do. The rent it pays—in the form of profits if owned, or percentage if on a royalty basis—obligates neither owner nor landlord to a long time lease.

And now, the advent of quick-frozen foods in packaged form has opened a new world of usefulness to the vending machine. Formerly the housewife went shopping for her meat, during hours that the market man chose to open his door; but, with quick-frozen meats in standard packages of guaranteed quality and weight, the vending machine will permit her to buy at midnight or five in the morning a chop or a steak, a "hot dog" or six slices of bacon. Thus she will get fresh meat, without the risk of trying to keep it in her refrigerator.

Electric refrigeration has opened to mechanical vending many new opportunities. Perishables can now be sold at all hours and at all places.

Indeed, the makers of automatic machines have even put out a "super" ice-cream freezer for fountains, drug stores, and the like. It is nothing less than a complete ice-cream manufacturing plant built into compact form in a cabinet measuring 3 by 10 feet, which will make any flavor of ice cream right in the retailer's store before the eyes of the patron. To obtain any desired flavor of ice-cream, the retailer has only to add the concentrated flavor to his stock of

"ice-cream liquid mixture." He pours this into the freezer, and, within a few minutes, can deliver five gallons, or a pint, or a dish, of the desired flavor.

### Commodities

**A**UTOMATIC vending machines are today on the market for a greater range of commodities than one would think. Almost anything that can be packaged into uniform sizes may be thus vended. One list of "what you can sell by mechanical clerks" gives this rather staggering roll of articles:

#### Drug Supplies

Patent medicines, such as:  
Castoria  
Cod liver oil  
Cough syrups, etc.  
Perfumes and toilet water  
Atomizers  
Toiletries, such as:  
Powder  
Powder puffs  
Rouge  
Lipsticks  
Creams  
Lotions  
Talcum powders  
Bath salts  
Sachets  
Maybelline  
Soaps  
Cutex and other nail supplies  
Manicure scissors and files  
Deodorants  
Brilliantine  
Shampoos  
Sterile gauze  
Absorbent cotton  
Adhesive tape  
Thermometers  
Sprays  
Sanitary napkins  
Aspirin, laxative, and others  
Tablets  
Liniments—Sloan's, etc.  
Salves and ointments—Vapo, Turpo, Cough  
Unguentine, etc.  
Cough drops  
Dog biscuits and remedies  
Dyes and tints  
Shaving supplies, such as:  
Brushes  
Stroppers  
Safety razor  
Creams and lotions  
Tooth brushes  
Tooth paste  
Dental floss  
Foot remedies—corn and bunion remedies and pads  
Knives  
Peroxide  
Absorbine  
Alcohol  
Shoe polish  
Other packaged and bottled drugs  
Cigars and cigarettes  
Pipes  
Matches  
Gum  
Ovaltine

#### Auto Supplies

Lights  
Spark plugs  
Chamois  
Brushes  
Flashlights  
Cleansers  
Mending tape  
Polish and paints

#### Baby's Needs

Bands  
Binders  
Bibs  
Bottles  
Blanket fasteners  
Combs and brushes  
Crib sheeting  
Diapers  
Diaper protectors and covers  
Diaper (paper) fillers  
Foods  
Garters  
Gowns  
Pins  
Powder  
Rattles and other toys  
Remedies and drug supplies  
Rubber sheeting  
Safety straps  
Sanitary applicator tips

Teething rings  
Thermometers  
Wash cloths

#### Dry Goods

Bias tape  
Buttons  
Combs  
Elastic  
Garters  
Hairpins  
Hair nets  
Handkerchiefs  
Rubber aprons  
Sanitary supplies  
Stamped goods  
Ribbons  
Sewing needs:  
Thimbles  
Thread  
Hooks  
Pins and needles  
Yarn  
Cotton gloves  
Notions

#### Food Supplies

Dried fruits—prunes, apricots, etc.  
Breakfast foods—cereals  
Packaged foods, such as:  
Cornstarch  
Corn meal  
Flour  
Caraway seed  
Salt  
Spices  
Baking powder  
Baking soda  
Farina  
Figs  
Dates  
Crackers  
Cake  
Cleansers  
Cocoanut  
Chocolate  
Cocoa  
Macaroni  
Spaghetti  
Potato chips  
Tapioca  
Gelatine  
Jello  
Rice  
Raisins  
Soap chips  
Tea  
Coffee  
Sugar  
Nuts  
Cookies  
Candies  
Soap, and other laundry supplies  
Dried peas and beans  
Evaporated milk  
Grapefruit juice  
Sauer kraut juice  
Sardines  
Vegetables  
Shoe polish  
Soups  
Bottled foods, such as:  
Jelly  
Pickles  
Olives  
Mayonnaise  
Mustard  
Vanilla extract  
Other extracts  
Syrup  
Preserves  
Biscuits  
Yeast  
Yeast foam  
Olive oil  
Mazola  
High priced foods  
in glass and tin, anchovies, caviar, etc.

#### Hardware and Garden Supplies

Kitchen utensils  
Brushes  
Furniture polish and wax  
Steel wool  
Scrapers  
Plumbing supplies  
Tableware  
Strainers  
Paint, varnish, enamel, etc.  
Cleansers  
Sandpaper  
Glue and paste  
Knives  
Cutlery  
Clothespins  
Wire  
Tools  
Garden seed  
Sportsmen's supplies  
Drapery hardware  
Hooks  
Rods  
Cords, etc.

#### Stationery Supplies

Playing cards  
Bridge supplies  
Crepe Paper  
Paper napkins  
Paper plates, cups, etc.  
Paper doilies  
Fancy wrapping paper  
Wrapping cord  
Cards  
Letter paper and envelopes  
Ink  
Paste and glue  
Pens  
Pencils  
School supplies

### Things They Cannot Do

**O**F the interesting mechanical venders, the so-called "robots" imitate human beings. Many of them are so contrived that every time a coin goes in, the outgoing package is accompanied with the words "Thank you!"—uttered by a talking machine incorporated into the equipment.

In the *Chicago Daily News*, late in 1930, "De Tector" printed a humorous bit of doggerel which tells us something which the vending machine cannot do. He says:

#### A THOUGHT IN THE SLOT

The automatic salesman some think is very hot.

It peddles stocks of fags and socks—  
(Your money in the slot.)

It utters "THANK YOU" in loud tones,  
Its courtesy we'll grant

But can it smile in human style?  
It auto

But—it can't

The automatic salesman is a robot sure  
and fast:

It's never late, nor need you wait—  
All parcel wrapping's past.

But does it hasten home at night  
To wife and kids who shout,

"Oh, Daddy dear!"? Alas, I fear  
It auto

But—that's out!

The automatic salesman may replace the  
human clerk;

With metal nerves it smoothly serves  
And does a man's full work.

But should our nation's colors call  
For men (Let's hope they don't!)

Will slot machines eat army beans?  
It auto

But—they won't!

### Games, Too!

**A**LL are familiar with another side to the coin machine—namely, that of games of chance, which have brought disrepute to "slot machines." Today, however, machines which come more or less close to the law are a tremendous factor in selling certain commodities. Machines, also, decorate lobbies and waiting rooms with their temptation to "hit the target," "be a big game hunter," "play golf" or baseball or basketball or football or spiral golf or table golf or billiards, to have one's "fortune told" by any one of a dozen methods. There are automatic "bag punching machines" and "dumb-bell lifters" for the athlete.

Another group of automatic machines are the "jack pot play" or the many forms of "bell" machines, familiar on the cigar counter and men's waiting rooms. The newest of these machines have a "silent" feature, for which it is claimed that "the machine can't be heard ten feet away" even when the bell rings! Much

like these are the phonograph and "cabaret" machines which play for a nickel or a quarter, operated either by direct contact or by an electrical contrivance that "plays" at the far end of the room in return for a coin at any table of the restaurant, etc.

There are innumerable makers of weighing machines, made doubly profitable by the rage for diet and reducing. And, quite recently, there has appeared "the information machine," which purports to give the answer to any question. For one cent, dropped in the slot, a printed ticket is thrust out by a turn of the knob, with answers to questions of which the following are samples:

"How many murders were committed in Chicago last year?"

"How many illegitimate children were left behind by the Allied armies when they finally moved out of Germany?"

"What is the difference between an old maid and a bachelor girl?"

"What is the name, age, and address of the youngest mother on record?"

"What President of the United States is supposed to be the father of an illegitimate child?"

"What animal has but one foot, and its eyes on the end of its horn?"

"Moses was the son of Pharaoh's daughter; therefore he was the daughter of Pharaoh's son. The explanation for one cent."

#### Where Machines Go!

THE opportunity to place vending machines is as broad as the commodities they can handle. Every place where people go with coins in their pockets is a potential "location." The most usual are:

- Restaurant
- Gas station
- Soft drink parlor
- Cafeteria
- Retail store
- Chain store
- Barber shop
- Theater lobby
- Garage
- Dance hall
- Beauty parlor
- News stand
- Rest room
- Comfort station
- Roadside inn
- Shoe shine parlor
- Pleasure resort
- Pool room
- Bowling alley
- Golf, midget and indoor
- Public waiting rooms
- Lobbies
- Clubs
- Confectionery stands
- Business offices
- Factories

The final two of this list represent a growing field. Offices and factories allow vending machines, in their corridors and rest rooms; and cafeterias, for the accommodation of their own employees. Here are vended cigarettes, matches, soap and towels, perfume and rouge and other toilet requisites, not to mention chewing gum and confectionery.

#### Supplies and Accessories

AS Gillette finds the "bread and butter" in selling blades rather than razors, so the automatic machine manufacturer does not despise supplies and accessories for his equipment. To sell

the initial machine is not the sole aim of his salesmen.

They sell collapsible stands to support the machines, for convenient setting up and removing machines outside the store. These tables will accommodate a single machine or a battery of them. These sell from \$1.50 to \$8. For vending machines which are to stand outside without supervision there are, too, many forms of safeguarding the equipment from pilferage—even from being bodily carried away. There are tables so made that the front can be closed up and converted into a steel box, known as a "safe," guaranteed against jimmying. These cost from \$35 up; they weigh upward of 150 pounds each, crated for shipment.

The merchandise thus vended must be wrapped to specifications. Each package must have a standardized weight and size in order to operate the machine automatically. Therefore the manufacturers deal in everything that goes into the machine. Their lists of goods to be sold are longer, even, than the list already given of "what you can sell by mechanical clerks."

#### Selling Customs

UNTIL very recently the only method of selling equipment was for the order to be shipped from the factory, less-than-carload freight. Each order was shipped by itself. Values are so high that the item of freight, to be paid by the purchaser, is not of great consequence. It was paid as a matter of course.

The industry of automatic vending grew up on this basis.

Changes are, however, creeping in for several obvious reasons. *These changes will require spot stocks and, in this manner, the vending machine enters the warehouse for the first time.*

For one consideration, these machines, like anything automatic, will sometimes fail to work. When a profit-making machine in the store stops ringing in the coins, the store owner yells. He wants a "rental" machine, much as the autoist wants a rental battery, during the day or two that his own is undergoing repairs. Therefore, in any city where any manufacturer has many machines in service, his local salesman must somehow manage to have on hand surplus equipment to help out. As competition among makers gets more keen, that manufacturer satisfies most who has been forehanded enough to provide for temporary replacements. Not only is this a real service but it is also a wonderful sales argument for the initial installation.

For reasons such as these, each manufacturer today faces the problem of some sort of spot stock in each marketing center. Trade-ins are used for this purpose.

For another thing, competition has forced the "seven-day trial offer." Originally this required that the purchaser pay for a machine, to be shipped from the factory; then meet the freight expense bill, and, if the machine were to be returned, he prepaid the return freight. In other words, the purchaser

paid out his money for the privilege of a "free trial," with no security other than the manufacturer's promise to refund. Shady practices have crept in, chief of which is that refund checks come slowly; occasionally, not at all.

The "seven-day trial" of 1930 and 1931, accordingly, means something new. Today the manufacturer who tries to follow the method just outlined would sit out in the cold most of the time. Under competition, as now it runs, he is fortunate to get a deposit against the "free trial," not to mention full payment.

This altered condition of marketing throws back upon the manufacturer the freight bill out and back; the expense of re-crating; and, now that the machine out on trial is his, any damage is his to repair. Under the old method, reconditioning was charged to the customer, this constituting, in fact, a minor flaw in the "free trial" plan. Too many manufacturers were unscrupulous in alleging "damage."

For a third element in competition comes the "expense bill." Vending machines cost from \$35 or \$45 for a counter equipment of the simplest make to \$295 or \$450 for a modern slug-proof vender of packaged goods. The weight varies from 15 pounds, crated, to 340 pounds for the most up-to-date weighing scale. These goods classify as "double first-class" freight, often higher than that, and they move over long routes from factory to user. The time in transit runs into two and three weeks.

The old situation emerges.

After the salesman from the factory has worked up the order, this long delay, and the \$8 or \$10 for freight and crating, enter to complicate delivery. Either the delay or the expense might be "out-talked," as one manufacturer put it to me, "but the two together pop the sale." In other words, the manufacturers must, somehow, meet this situation. During the interval of two or three weeks, it often becomes noised around that a machine has been placed. Competing salesmen bother the buyer with damaging yarns about the "rotten equipment" he has fallen for and, by *sub rosa* ways, attempt to switch the order. In this we have touched nothing new, but, with these machines, the burden on the disappointed manufacturer is a real one. He is left with a high-priced machine in a freight depot hundreds of miles from the factory—with a choice of paying return charges or of sending a salesman to resell in that locality.

Yet another difficulty of this industry is the trade-in. New equipment is sold by accepting, as part payment, used machines. These must be stored until disposed of. Wherever the manufacturer has a local agent, or a district office, the accepted method is to store these trade-ins and use them (1) for "rentals" when working machines are laid up for repairs; or (2) for emergency demand, such as picnics, fairs, carnivals, exhibitions, political gatherings, anniversaries and home-coming, etc., where there is a sudden demand for machines for a day or a week.



All four of these conditions are relatively new for the manufacturer to face. Real competition in this industry hardly existed before 1928, because there were few manufacturers. Today they number many. They have three trade associations, which are trying to instill ethics and fair trade practices. All these competitive conditions indicate that the manufacturer must modernize his selling; and, to do this, no single element is so important as setting up some system of

spot stocks, on the accepted basis of other trades.

Few, very few, manufacturers of vending machines have stored with public warehouses. The first four I talked with had only the most sketchy idea of what a warehouse can do for them. These manufacturers, like so many others, have had no education in merchandise warehousing; but, throughout all their industry, conditions have so changed that some sort of spot stocks lie ahead.

## VENDING MACHINE MANUFACTURERS

First Aid Equipment & Supply Co., 935 Santa Fe Ave., Los Angeles.  
Kunkel Stamping & Manufacturing Co., 425 E. Washington St., Los Angeles.  
Rowe Vending Machine Co., 1338 S. Flower Ave., Los Angeles.  
National Paper Products Sales Co., 343 Sansome St., San Francisco.  
Bradford Novelty Machine Co., San Jose, Cal.  
Orange County Manufacturing Co., Santa Ana, Cal.  
Erie Manufacturing Co., Hartford, Conn.  
Seymour Products Co., Seymour, Conn.  
E. A. Bostrum Manufacturing Co., Atlanta.  
Automatic Food Machinery Corp., Boise, Idaho.  
A. B. T. Manufacturing Co., 3311 Carroll Ave., Chicago.  
Ad-Lee Co., 825 S. Wabash Ave., Chicago.  
Advance Machinery Co., 4645 Ravenswood Ave., Chicago.  
H. C. Evans Co., 1522 W. Adams St., Chicago.  
Exhibit Supply Co., 4222 W. Lake St., Chicago.  
D. Gottlieb & Co., 159 N. Jefferson St., Chicago.  
O. D. Jennings & Co., 4309 W. Lake St., Chicago.  
Mills Novelty Co., 41110 Fullerton Ave., Chicago.  
Rhodes-Hochreim Manufacturing Co., 126 N. Union Ave., Chicago.  
Rock-Ola Mfg. Co., 625 W. Jackson Boulevard, Chicago.  
Specialty Manufacturing Co., 617 W. Division St., Chicago.  
Watling Manufacturing Co., 4650 Fulton St., Chicago.  
Kone Klutch Corp., DeKalb, Ill.  
The Northwestern Corp., Morris, Ill.  
Gray Brothers, Plano, Ill.  
Anderson Computing Scale Co., Anderson, Ind.  
Warner Implement Co., Hammond, Ind.  
American Sanitary Lock Co., 825 S. Meridian St., Indianapolis.  
Holcomb & Hoke Manufacturing Co., 1545 Van Buren St., Indianapolis.  
Mabey Electrical & Manufacturing Co., 968 Ft. Wayne Ave., Indianapolis.  
Silver King Novelty Co., 611 N. Capitol Ave., Indianapolis.  
Zeno Button Co., Century Building, Indianapolis.  
Standard Manufacturing Co., Cedar Rapids, Iowa.  
Atwood Nut-Cracker Manufacturing Co., Louisville.  
Swiss Textile Co., Assonet, Mass.  
Caille Bros. Co., 6210 22nd Ave., Detroit.  
Schermack Corporation of Michigan, 1164 Baltimore Ave., Detroit.  
Bennett & Co., Kalamazoo, Mich.  
American Banking Co., Saginaw, Mich.  
National Automatic Machine Co., 2196 University Ave., St. Paul.  
Blue Bird Products Co., 907 Campbell St., Kansas City, Mo.  
Bunker-Clancey Manufacturing Co., 1110 Woodland Ave., Kansas City, Mo.  
National Sales Machine Co., 1925 Chestnut St., St. Louis.  
Star Mfg. Co., 4569 Swan Ave., St. Louis.  
Handicomb Co., Columbus, Neb.  
Brace Pressed Steel Co., Elizabeth, N. J.  
National Gum & Machine Co., 42 Spring St., Newark, N. J.  
Fred'k Ruoff, 245 N. J. RR. Ave., Newark, N. J.

Yu Chu Co., 9 Broadway, Newark, N. J.  
Columbia Machine Works, 245 Chestnut St., Brooklyn.  
Crescent Specialty Co., 245 Wyckoff St., Brooklyn.  
Woodhaven Metal Specialty Co., 62 Schenectady Ave., Brooklyn.  
National Case & Carton Co., Ithaca, N. Y.  
Autosales Corp., 210 13th St., Long Island City, N. Y.  
West Disinfectant Co., Orchard St., Long Island City, N. Y.  
Advance Vending Co., 347 W. 39th St., New York City.  
American Cuptor Co., 200 Hudson St., New York City.  
Automatic Merchandising Machine Corp., 150 W. 28th St., New York City.  
Consolidated Automatic Merchandising Corp., 245 Fifth Ave., New York City.  
Cornine-Hankansan Die Casting Co., 225 E. 14th St., New York City.  
Doehler Die Casting Co., 27th St. & Fourth Ave., New York City.  
Doehler Vending Machine Co., 386 Fourth Ave., New York City.  
Empire Notion Co., 339 W. 35th St., New York City.  
General Vending Corp., 245 Fifth Ave., New York City.  
Hampton Mfg. Co., 151 W. 25th St., New York City.  
International Mutoscope Reel Co., 445 W. 31st St., New York City.  
E. W. S. Jasper, 71 Murray St., New York City.  
H. K. Lorentzer, 155 Leonard St., New York City.  
Sanitary Postage Machine Corp., 245 Fifth Ave., New York City.  
Venus Corporation, 1170 Broadway, New York City.  
Pulver Co., 33 Canal St., Rochester, N. Y.  
Rodder Vending Machine Co., Seneca Falls, N. Y.  
Self-Weigh Machine Co., Utica, N. Y.  
Aluminum Foundry Co., 816 E. Pearl St., Cincinnati.  
Brunhoff Manufacturing Co., Hulbert St., Cincinnati.  
Sicking Manufacturing Co., 1922 Freeman St., Cincinnati.  
Froehring Brothers, 4600 Prospect Ave., Cleveland.  
Harvard Automatic Machine Co., 7803 Madison Ave., Cleveland.  
Hospital Specialty Co., 2131 Superior Ave., Cleveland.  
Columbus Vending Machine Co., 1005 E. Main St., Columbus, Ohio.  
Norris Manufacturing Co., 533 Nicholas St., Columbus, Ohio.  
Robert D. Sampson Co., Columbus, Ohio.  
Miller-Wiggin Manufacturing Co., Dayton, Ohio.  
Hance Manufacturing Co., Westerville, Ohio.  
Vending Machine Co. of America, Tulsa, Okla.  
Maniken Vendor Co., Portland, Ore.  
Individual Drinking Cup Co., Easton, Pa.  
Brown's Mills Novelty Co., 7th St. & Chestnut St., Philadelphia.  
DeLuxe Mills, Inc., 517 N. 62nd St., Philadelphia.  
Richmond Engineering Co., 2916 Salmon St., Philadelphia.  
Silent Sales Vending Co., 711 Green St., Philadelphia.  
Simplex Tool Co., Woonsocket, R. I.  
Sanders Manufacturing Co., Nashville, Tenn.  
G. W. Ristau Co., Kaukauna, Wis.

## List of Manufacturers

FROM a number of sources, such as commercial trade directories, lists of exhibitors at their annual conventions of the spring months of 1931, and memberships in their associations a list has been compiled of manufacturers of vending machines. The list is incomplete. Yet it may serve as a guide for any warehouseman who tries to solicit this business for his house.

The list is given below:

Barrel Mixer Co., Madison, Wis.  
The Rushour Corporation, Madison, Wis.  
Photomaton, Inc., 654 Madison Ave., New York City.  
General Utilities Manufacturing Co., St. Louis.  
Automatic Ticket Register Co., Brooklyn.  
Beaton & Caldwell, New Britain, Conn.  
E. D. Bullard Co., San Francisco.  
Coin Controlling Lock Co., Indianapolis.  
Cupples Woodenware Co., St. Louis.  
A. H. DuGrenier, Inc., Haverhill, Mass.  
Ford Vending Machine Co., Lockport, N. Y.  
Nicholson Clock Co., Tulsa, Okla.  
Nichasure Golf, Inc., 3315 W. 63rd St., Chicago.  
Poe Manufacturing Co., 449 Avenue A, Rochester, N. Y.  
Chicky Manufacturing Co., Grand Rapids, Mich.  
Corbin Cabinet Lock Co., New Britain, Conn.  
Reliable Peanut Co., 211 W. 18th St., New York City.  
Tom's Peanuts, Inc., Atlanta.  
Tousey Varnish Co., 520 W. 25th St., Chicago.  
Veeder-Root Co., Hartford, Conn.  
Wm. Gent Vending Machine Co., Neff Road, Cleveland.  
Geuder, Paeschke & Frey Co., Milwaukee.  
Geuder, Paeschke & Frey Co., 343 W. Ohio St., Chicago.  
Greenhill & Sons Co., 500 W. Division St., Chicago.  
Joy Ball Bearing Co., Chicago.  
Kittle Mfg. Co., Los Angeles.  
National Towel Vendor Co., San Francisco.  
Puritan Machine Co., Ltd., Detroit.  
Richmond Metal Products Co., Richmond, Ind.  
Roberts Manufacturing Co., Lockport, N. Y.  
Rochester Germicide Co., Rochester, N. Y.  
Toledo Computing Scales Co., Toledo, Ohio.  
Farmly Engineering Co., Cleveland.  
Flatbush Gum Co., Brooklyn.  
J. P. Seeburg Corp., Chicago.  
Great States Manufacturing Co., Kansas City, Mo.  
Golf Drive-O-Meter Co., Chicago.  
Hercules Novelty Co., Chicago.  
Chicago Novelty Co., Chicago.  
Oxford Radio Corp., Chicago.  
Midwest Novelty Co., Chicago.  
E. E. Junior Manufacturing Co., Los Angeles.  
Atlas Indicator Works, Chicago.  
Continental Scales Co., Chicago.  
Chusum Products Co., Chicago.  
United Manufacturing & Date Co., Chicago.  
Wilson Manufacturing Co., Chicago.  
Information Vending Machine Co., Des Moines, Iowa.  
Genco Incorporated, Chicago.  
Alamo Novelty Mfg. Co., San Antonio.  
Amusement Machine Corp., Los Angeles.  
Chicago Lock Co., Chicago.  
Buddy Sales Corp., 845 Dumont Ave., Brooklyn.  
Yale & Towne Manufacturing Co., Stamford, Conn.  
Coinomatic Corp., Buffalo.  
Brooklyn Weighing Machine Corp., Brooklyn.  
Scene-in-Action Corp., 11 W. 42nd St., New York City.  
International Ticket Scale Co., Brooklyn.

# FROM THE LEGAL VIEWPOINT

By  
LEO T. PARKER

## Law of Bailment

IT is a well established rule that, in order to warrant a finding that negligence on the part of a warehouseman is the proximate cause of damages, it must appear that the injury was the natural and probable sequence of the negligence or the wrongful act, and that it was such as might, or ought to, have been foreseen by the warehouseman in the light of the attending circumstances. On the other hand, this rule is no test in cases where no intervening cause is found between the original wrongful act and the injurious consequences, and in which such consequences were not probable but actually resulted.

In other words, if a warehouseman or his employees are negligent in safeguarding stored goods, but such negligence is *not the probable cause of damage to the goods*, the warehouseman is *not* liable. Obviously, however, if negligence of the warehouseman or his employees results in damage to stored merchandise, the customer is entitled to recover its full value.

For illustration, in the late case of *Cameron v. Bissonette*, 152 Atl. 87, it was proved that negligence of a bailee resulted in damage to the bailor and that such negligence was the proximate cause of the loss.

Therefore, although the lower Court held the bailee not liable, the higher Court reversed this decision, saying:

"When negligence is established, liability attaches for all the injurious consequences that flow therefrom until diverted by the intervention of some efficient cause that makes the injury its own, or until the force set in motion by the negligent act has so far spent itself as to be too small for the law's notice."

## Common Employee and His Duties

ANOTHER important point of the law is that while a warehouseman is required to exercise only ordinary care to safeguard stored goods, yet he cannot avoid liability for destruction of merchandise by introduction of testimony showing that common employees were left in the warehouse, and that they were expected to safeguard the goods, unless positive evidence is given proving that the employees were instructed to watch the goods.

For instance, in *Jonesboro Co. v. Simpson*, 32 S. W. (2d) 447, a foreman left several employees at the noon hour in Section A of a warehouse. The employees were not instructed to stay there and they left to take a walk.

Soon afterward a fire started in Section A and destroyed the stored goods. The owner sued the warehouseman for damages. In holding the latter liable, the Court said:

"The undisputed facts in the instant case reflect that Section A was left during the noon hour without any employee under any instruction to watch or guard against fire. . . . The record in the instant case reflects that no duty was imposed upon the employees by the foreman to watch and protect Section A during the noon hour, and as a matter of fact none of them remained in Section A during the noon hour."

## Your Legal Problems

MR. PARKER answers legal questions on warehousing, transfer and automotive affairs.

There is no charge for this service.

Write us your problems. Publication of inquiries and replies gives worth-while information to you and to your fellows in business.

## Railway's Liability for Damage by Flood

IT is well settled that a property owner repairs his property at his own risk and assumes responsibility for damage to adjacent property. So held the higher Court in *Kansas City Southern Ry. Co. v. Littlefield*, 37 F. (2d) 707.

In this case a warehouseman sued a railway company to recover damages to goods soaked with water which backed up into the warehouse as a result of a newly constructed culvert which became clogged with debris. There had been an open trestle under the tracks through which the surface waters naturally flowed, and the railway company filled in at that place and put the culvert there.

In upholding the lower Court's decision, which held the railway company liable, the higher Court said:

"The jury were likely impressed with the testimony that in the morning the water was standing still from the railway culvert on to and around the warehouse, and that when the section men came in the forenoon and removed the debris from the railway culvert the standing waters all soon passed off through it."

## When Carrier May Limit Liability

IT has long been the rule in the United States Courts and almost all State Courts that an agreement between a shipper and a carrier which absolutely exempts the carrier from liability for its negligence is void. The reasons for this rule are that the effect of an exemption from liability for negligence encourages a lack of care on the part of the carrier; that the shipper and carrier are not upon equal terms and the shipper is at the mercy of the carrier unless protected by the law; and that considerations of public policy require that the shipper be so protected.

On the other hand, a provision of a contract of shipment which purports arbitrarily to limit a carrier's liability and by which the shipper may pay a higher rate and obtain a greater valuation for damaged or destroyed goods, has been held valid. However, the bill of lading must clearly state the valuation of the goods and the rate charged; otherwise the agreement is void.

For example, in *F. A. Straus & Co. v. Canadian Pac. Ry. Co.*, 173 N. E. 564, it was disclosed that a bill of lading stated that if the shipper declared the true valuation, and paid an *ad valorem* rate, the company would pay full value for lost or damaged goods; otherwise its liability was limited to \$100 a package.

In holding that a provision of this nature in the bill of lading is not effective to limit a carrier's liability, the Court said:

"The bill of lading does not state the value of the goods. The attempt arbitrarily to limit liability—to the value of the goods at the time and place of shipment in the event that the value was declared and an *ad valorem* rate paid, and otherwise to \$100 per package—was without consideration. . . . The judgment of the Appellate Division in so far as it limits the recovery to \$100 a package should be reversed."

### Group Tariff Ruling Valid

GENERALLY speaking, the principle of "absorption of switching charges" is valid and universally recognized as being necessary to place all individuals, firms and industries located within the defined limits of a switching terminal, on the same rate, thereby permitting traffic to move to all points without burdening any shipper with a disadvantage on account of the location of his plant within the limits of the switching terminal.

For illustration, in *Zenith Co. v. Public Service Commission*, 151 S. E. 433, it was shown that a shipper, the Zenith Co., is located eleven miles from a railway terminal. Certain competitors, located within the terminal district, are charged with outgoing freight from the passenger station. In rate language the switching charges are "absorbed." As the Zenith Co. is eleven miles west of the passenger station it necessarily pays a higher rate on freight going east than is paid on similar shipments from the terminal district.

The Zenith Co. contended that this arrangement was distinctly advantageous to its competitors who made eastern shipments and that it was prejudicial and discriminatory and that the railway company should be required to collect switching charges from the competitors within the district.

The higher Court refused to render its decision in favor of the Zenith Co., and said:

"The Chesapeake & Ohio Railway's absorption tariff makes no distinction between individuals, firms or industries, and it offers no benefit to any one shipper that is not available to all shippers under the same or substantially similar circumstances and conditions."

### False Bill of Lading

IT has been held that if a common carrier gives a clean bill of lading for a shipment, which it knows is not in good condition, and the buyer or consignee acts in reliance on that bill of lading and has no knowledge of the bad condition of the shipment, the buyer or consignee is entitled to recover damages from the carrier.

For instance, in *The Carso*, 43 F. (2d) 736, a shipper shipped a large consignment of cheese. The carrier issued a bill of lading stating the cheese was in good condition. The consignee paid the drafts and on delivery of the cheese found it to be in poor condition. The purchaser sued the carrier for damages. It is interesting to observe that the Court held the purchaser entitled to a recovery, saying:

"When a carrier has given a clean bill of lading, stating that cargo has been received in good order, though it was at the time manifestly damaged, the Courts hold that it is estopped to deny the truth of the assertion against a purchaser of the bill of lading, who has

been misled by the representation and has altered his position to his detriment on the faith of the representation."

Practically the same law is applicable with respect to warehousemen. In the leading case of *McNeil v. Hill*, 16 Fed. Cas. 325, the Court had before it the case of a warehouse receipt for goods which had not actually been stored. The warehouseman attempted to avoid liability by proving he had never received the property. In holding that the evidence was not admissible, the Court stated the following important law:

"When a warehouseman issues such a receipt, he puts it in the power of the holder to treat with the public on the faith of it. He enables him to say, and to induce others to believe, that he has certain property which he can sell or pledge for a loan of money. If the warehouseman gives to the party who holds such a receipt a false credit, he will not be suffered to contradict the statement which he has made in the receipt, so as to injure a party who has been misled by it."

### Risk Assumed by Employee

IT is well settled that ordinarily a warehouse employee is not entitled to recover damages for an injury sustained without some kind of negligence on the part of the warehouseman, or his authorized representative. This is particularly true if the employee realized the hazards associated with the employment.

However, if the employee is mentally deficient or inexperienced in his work, and is not capable of realizing the danger connected with the employment, negligence on the part of the warehouseman is presumed.

An illustration of this phase of the employers when directing employees to perform work, is supplied by the recent case of *Robison v. Wichita*, 27 S. W. (2d) 281.

In this case it was disclosed that an employee sued his employer to recover damages in the sum of \$25,000, alleging that the latter furnished him with disinfecting powder to be used in the performance of his duties, and that the powder was extremely irritating to his eyes, resulting in finally destroying his eyesight. Counsel for the employer argued that the employee was not entitled to damages because he assumed the ordinary risks of the employment, and also because he was contributorily negligent in permitting the powder to get into his eyes. However, as it was proved that the employee was mentally deficient, and also inexperienced in the work, although the lower Court held the employer not liable, the higher Court reversed this verdict, saying:

"A person who is mentally deficient is not guilty of contributory negligence if his failure to use ordinary care for his own safety is due to want of capacity to appreciate and avoid danger. The care required by a person laboring under

any mental disability is that care which may reasonably be expected of one having the same capacity to appreciate and avoid injury; and a person who is, by reason of mental incapacity, wholly unable to apprehend apparent danger and to avoid exposure to it, cannot be guilty of contributory negligence."

### Injuries Within Employment Scope

GENERALLY speaking, an employee is not entitled to a recovery of damages for injuries sustained while working outside the scope of the regular employment. However, it is not essential to the right to receive compensation that the injured employee should have been engaged in his work at the particular time an injury was received. In other words, legal employment is not limited to the exact moment when he begins or quits his work. A risk is incident to the employment, for which the employer is liable, when it belongs to or is connected with the employee's regular work. It may be incident to the employment when it is either an ordinary risk directly connected with the employment, or an extraordinary risk which is only indirectly connected therewith.

On the other hand, an employee must not unnecessarily increase the risk of injury to himself beyond that ordinarily contemplated. He must not choose an unnecessarily dangerous place for the doing of the act which is claimed to be incident to the employment. Moreover, if an employee chooses to go to a dangerous place or perform a dangerous act which his employment does not necessitate, and thus increases a danger of his own choosing altogether outside of any reasonable requirement of his work, such risk is not incident to the employment.

This rule is applicable where an employee endeavors to recover under the common law damages for an injury. The latest higher Court case involving these important points of the law is *Landon v. Industrial*, 173 N. E. 49.

The facts of this case are that a trucking company sent three trucks with drivers to transport material. One truck became disabled and its driver, Cleary, rode on another truck. Without knowledge of the driver, Cleary attempted to climb from the rear end around into the cab and in so doing his hand and foot slipped and he fell. The rear wheel passed over his right leg and it was permanently injured.

The question presented the Court was whether the injury to Cleary arose out of and in the course of his employment and whether by his conduct he increased the dangers of his employment so as to deprive him of his right to compensation.

In holding Cleary not entitled to compensation, the Court said:

"An injury must arise out of and in the course of the employment or it must be incident to the employment. . . . An employee is engaged in the course



of his employment when the injury occurs within the period of his employment, at a place where he may reasonably be, and while he is reasonably fulfilling the duties of his employment or is engaged in doing something incidental to it. . . . An injury arises out of the employment when there is apparent to the rational mind, upon consideration of all the circumstances, a causal connection between the condition under which the work was required to be performed and the resulting injury. . . . He [Cleary] assumed the danger of attempting to climb along the left side of the cab and slipped, fell, and was injured. This danger was one of his own selection, his employer had nothing to do with it, it was not incident to his employment, it did not arise out of his employment."

### Negligence by Truck Drivers

IN cases involving injuries caused by negligent driving of a motor truck the general rule is that a warehouseman is liable for any injury which is the natural and probable consequence of the driver's misconduct. Such liability extends not only to injuries which are directly and immediately caused by his act, but also to such consequential injuries as, according to the common experience of men, are likely to result from such act.

"For example, the owner of a passenger car may recover from a negligent motor vehicle driver damages based on the loss of time in using his truck where the reasonable worth of such use may be shown with reasonable certainty. Thus a recovery may be had for the loss of hire of a motor vehicle which is damaged. Moreover, the Courts will allow compensation for the time necessarily required in making repairs.

For illustration, in the late case of *Davis v. Baird*, 30 S. W. (2d) 809, the owner of a passenger car sued a company for damages alleging negligence on the part of the company's truck driver. The former claimed that, as the proximate result of the negligence of the driver of the truck, his automobile was badly wrecked and by reason thereof its market value was depreciated in the sum of \$350. Also, he asked for \$16, the cost of having his car hauled in for repairs, and for \$450 as the value of forty-five days' time that he was unable to use his car in his business.

The lower Court held the owner of the passenger car not entitled to a recovery, but it is interesting to observe that the higher Court reversed this decision, saying:

"It will be noted that in the plaintiff's pleadings \$450 was claimed as the aggregate of damages for the loss of the use of his car, which would mean its rental value during the time he was necessarily deprived of its use, and for loss of time from his business. . . . It is also true that an interruption of one's business by the wrongful acts of another is a proper element of damages, provided such inter-

ruption is a natural and proximate result of such act."

### When Goods Are Sold for Charges

LEGAL EDITOR, *Distribution and Warehousing*: A few years ago we had a load of household goods come into our storage warehouse. A local furniture store later traced the furniture to our warehouse and advised us that the customer still owed them on the contract. No storage charges were paid on the goods and in 1929 the goods were advertised in both daily papers several times. In due time the goods were sold, early in 1929. A few days ago the manager of the furniture company called us regarding the goods, and we advise him of the sale in 1929. When we asked him why he had let the matter run so long, he advised that the company had no reason for questioning us as they had been receiving remittances from the customer to apply on the contract until four months ago. The furniture dealer feels that we should pay him the balance of his contract. Can he compel us to do so?—*John B. Southec, Inc.*

Answer: Generally speaking, it is your duty to examine the records to ascertain whether goods which you hold in storage are sold on conditional contracts of sale by the terms of which the seller retains legal title. Also, you are bound to ascertain the same information regarding mortgaged goods, where the mortgage is recorded. In cases of this kind the seller or holder of a mortgage, where the conditional contract of sale or mortgage is properly recorded, can recover from you the goods which you hold in storage and which were delivered to a person other than the mortgagee notwithstanding that you have a warehouseman's lien on the goods for the storage and other charges.

The statutes must be strictly followed when advertising stored goods for sale. Any variation on your part from the requirements of these laws renders you liable for conversion. Each State has distinct laws which require considerable study to digest and it is necessary for you to consult a local attorney in order to obtain dependable and reliable advice. If the contract of sale or mortgage is not recorded and you have no knowledge of it, then your lien is prior and superior to the seller's claim.

In the recent case of *Manhattan Warehouse Company*, 224 N. Y. S. 71, a warehouseman accepted two mortgaged articles for storage. The mortgage on one of the articles was recorded, but not on the other.

The holder of the mortgage notified the warehouseman he intended to foreclose both of the mortgages. This Court held the warehouseman entitled to full payment of the charges on the property on which the mortgage was not recorded, and payment for storage from the date the notice was received on the other goods of which the mortgage was recorded.

### Truck Stolen from Street

LEGAL EDITOR, *Distribution and Warehousing*: One of our trucks was stolen from a street. This truck contained a barrel which we had packed containing dishes and a few pieces of plate ware. The barrel was to come to our warehouse for storage. We had our contract No. 2 signed which contains the arbitration clause and also the \$50 limit in responsibility.

May we ask just what we are liable for in such an instance? We haven't had any word about the truck or barrel since it was stolen.—*Tiffany Fireproof Warehouses, Inc.*

Answer: Whether you are liable depends on the decision by a jury on the question of degree of care which your driver exercised. For instance, if the driver left the truck standing without an attendant for a considerable period and failed to take the key from the lock it is probable that you would be held liable for failure to exercise ordinary care to safeguard the goods. Moreover, if you are a legal common carrier it is probable that you would be liable for full value of the goods, providing the loss resulted from your negligence, notwithstanding the \$50 limit in liability. In other words, the Courts have held that a carrier cannot limit his liability for loss resulting from his negligence. Just what is negligence depends on the circumstances and cannot always be anticipated, but actually is lack of the degree of care that would have been used by a reasonably prudent warehouseman, or transfer company employees, under the same circumstances.

See following late cases involving trucks stolen from streets: 227 Ill. App. 390; 245 Ill. App. 567.

(With regard to the foregoing, the Tiffany company's truck was stolen from in front of 325 West Eighty-sixth Street, New York City, on Dec. 30. Three months later, according to McClements, the firm's secretary, no trace of it had been found.)

### Liability for Concealed Loss

LEGAL EDITOR, *Distribution and Warehousing*: Is a transfer company, to whom a shipment is consigned or in whose care it is consigned for delivery to the customer of a shipper, classed as a common carrier? Is the transfer company liable for concealed loss or damage discovered after delivery is made to the customer, the shipment being in the transfer company's custody only from the dock to the customer's premises?—*Holman Transfer Company*.

Answer: Briefly, a common carrier is one who advertises, verbally proclaims, or implies that he is ready and willing to haul goods generally for all who agree to pay his rates. It is not necessary that he is willing to transport all kinds of merchandise, because he may be a common carrier who specializes in haul-

ing only a particular class of merchandise. See 266 U. S. 570.

Various Courts have held that transfer companies, which transport merchandise promiscuously, are common carriers and liable as such. 222 N. W. 718; 143 Atl. 438; 232 N. W. 347; 24 F. (2d) 226.

Of course if you transport merchandise exclusively for one, two or three customers you are not a common carrier.

As a rule (288 S. W. 539) a shipper may sue and hold the initial carrier liable for losses. However, the last common carrier to transport the goods is impliedly liable (136 S. E. 694) unless he can prove that the goods when accepted by him were in bad condition.

### Loss Must Be Proven

**L**EGAL EDITOR, *Distribution and Warehousing*: We moved a truckload of office equipment. Among the pieces moved were two open boxes packed by the owner. These boxes contained books, papers, small files, etc., and were placed in the front of the truck to avoid thievery. Later during the packing of this load the owner wished to put several more pieces into the box but was unable to, due to the position of the load. My drivers say that the owner had been drinking all afternoon and will testify to this fact.

The owner refuses to pay his cartage bill because he says that a strong box containing about \$1,500 worth of notes, etc., was lost. Are we liable?—*Elmhurst Transfer & Storage Co.*

Answer: It is my opinion that if the

owner can prove that this strong box was stolen from your truck you will be liable for the loss, providing of course that he signed no contract reducing your liability on the basis of lower transportation costs, and also provided you had good reason to believe that the box contained valuables.

However, the fact that the owner testifies relative to this loss is not convincing evidence, as he must produce other evidence which will prove conclusively that the box was accepted by you for transportation and that on delivery of the goods at destination this box was gone.

### Contract Must Be Recorded

**L**EGAL EDITOR, *Distribution and Warehousing*: In March, 1930, there was stored with us one lot of household goods. In July we were advised that a mortgage loan company held a mortgage against these goods. This mortgage really existed and was made prior to storage. In February of this year the mortgage company brought suit. The Court ordered us to release the goods on payment of our charges. They appealed to higher Court. Will you favor us with your opinion and past Court decisions in similar cases?—*Mutual Exchange*.

Answer: Generally speaking, the holder of a mortgage is liable for the storage charges providing he expressly or impliedly agreed to pay the storage charges. In fact, one Court held that

mere consent on the part of a mortgagee that the warehouseman store the goods resulted in the former's liability for storage charges.

However, in *Driggs v. Dean*, 167 N. Y. 121, the Court held that a person who has a mortgage on goods stored is not liable for the storage charges, except from the time he indicated an intention to take control of the goods. Other Courts have held likewise. In other words, a recorded mortgage lien usually is prior to warehouse charges.

### Recorded Lien Has Priority

**L**EGAL EDITOR, *Distribution and Warehousing*: The question arises whether we can collect storage and cartage charges on furniture which is held under lease by an installment house. This furniture we have had in storage over a year and we did not know it was leased. The sheriff served replevin papers on us. I would like to know what is our right in the matter.—*S. C. Betts Storage & Carting Co.*

Answer: It is my opinion that you are entitled to recover charges if you were unaware of the lease contract and, also, if the same was not recorded. At least this is the general law in all jurisdictions in which I have had experience. Of course, inasmuch as the sheriff has served papers on you it will be necessary for you to consult a local lawyer and I advise you select one who has had some experience with warehouse law, because the statutes must be adhered to strictly in all instances.

## Some Money-Saving and Time-Economy Ideas from Hollywood

By WILLIS PARKER

**M**ANY hundreds of dollars annually is saved by the Hollywood Fireproof Storage Co., Hollywood, Cal., by the use of long narrow house trucks for conveying goods from place to place. The trucks are each twelve feet long and a little less than four feet wide and are designed to handle 200 cubic feet of household goods. They are on low rollers, or wheels, so that the top of the platform is not more than eight inches above the floor.

When the vans back up to the platform to discharge their loads, the goods are placed immediately upon the house trucks and remain there until they are put into their proper stalls or compartments in the warehouse. Two men can handle the trucks onto the elevators and hoist them to the proper floor, and they are narrow enough to make clearance in the aisles, which are not any wider than are to be found in the average modern warehouse.

"Not only do we save on handling the goods," according to J. H. Winship, warehouse superintendent, "but we lessen the possibilities of marring or otherwise damaging the goods, as might be the case if they were more frequently handled."

When the goods are to be taken out

of the warehouse the trucks again are used, the process being reversed.

Another labor saving device is a pit in the dock platform; through it crates and other packing materials may be dropped to a basement room near the incinerator. The mouth of the pit is ten feet long and four feet wide and is covered, when not in use, with grated doors. Thus, when the trucks back up to the warehouse dock and unload their contents, any crate and packing material, except boxes and barrels, are dropped down the pit, where, as time permits, they are knocked to pieces, parts salvaged and the unsalvageable portions disposed of in the incinerator close by.

Boxes and barrels are treated more carefully to prevent damage, are rehabilitated and later stored in the packing room.

The warehouse is fourteen stories high. A tubular steel chute runs from the top floor to the basement and opens near the incinerator. Any trash accumulated on any of the floors is tossed into the chute and drops to the basement. Inasmuch as the diameter of the chute is more than three feet, it is evident that fairly good sized materials may be accommodated. It is a tremendous time-saver in the efforts to

keep the establishment spick and span.

An interesting arrangement is the ramp, which accommodates automobiles brought in for storage. By pressing a lever, the highest part of the ramp sinks until the whole is level with the floor of the garage, so that the space may be used for unloading goods from the van. Then, in case an automobile is driven in, the pressing of the lever again raises the ramp into position, the car is driven onto the platform, thence to the elevators and removed upstairs to the automobile department.

Whereas many warehouse companies have rug rooms, piano rooms, upholstered furniture rooms, etc., not many of them have drapery departments. The Hollywood firm has one where the draperies are suspended from rods in the same way that they are suspended from rods over the windows of the customer's home. That such a department is acceptable to the public is evident from the fact that the capacity of the room has recently been doubled.

The talking point naturally lies in the saving of time and money which would be required to press out the wrinkles and creases in the materials in case the draperies were packed in boxes in the usual way.

# HOW'S BUSINESS? GOING TO BE THIS MONTH

CHARTED BY UNITED BUSINESS PUBLISHERS, Inc.

**T**HIRTY-FOUR ECONOMIC EXPERTS—EDITORS OF BUSINESS PAPERS PUBLISHED BY THE United Business Publishers, Inc.—HERE PRESENT A COMBINED OPINION ABOUT THE COURSE OF BUSINESS DURING THE MONTH OF MAY. GOVERNMENT AND OTHER RECORDS PROVIDE YOU WITH HISTORY OF RECENT MONTHS. THIS BOARD OF EXPERTS DEALS ONLY WITH THE FUTURE. ITS OPINIONS ARE BASED ON CLOSE CONTACT WITH THE MORE THAN 400,000 SUBSCRIBERS REACHED BY THEIR PUBLICATIONS IN FAR-FLUNG FIELDS OF RETAILING AND INDUSTRY.

**W**HAT the average man in this nation needs at the present time is a place confidently to hang his hat. No word better describes the present situation than uncertainty.

Trite as this may sound, it has a deeper significance than at first apparent. Nineteen months ago we suddenly awoke to the fact that we had been speculating heavily in securities. Since that time it has been continually brought home to us that we have been speculating as well in all the phases of our business and social life.

Bitter as is any period of readjustment, when our faith in things spiritual, ethical and political are concurrently shattered, confidence is bound to be at low ebb.

In retail merchandising, staple goods are moving with fair regularity and volume. Necessities are being bought.

But the great buying power of the country is maintaining its reserves and savings in as liquid a form as possible.

Savings deposits continue to increase. There is much academic discussion of unemployment insurance, old age pensions, governmental control of utilities, and other vestiges of a form of paternalism that may characterize government during the next decade.

Wages now appear to be facing a major operation, and therein lies a dilemma. A new Congress will meet this coming winter, its strength about equally divided, to battle for political prestige, and hoping for nothing better than discontent and widespread dissatisfaction to turn into political capital.

May will bring additional records of first quarter performances. Its trend is certain to have a decided effect on the ensuing months.

## THE COURSE OF BUSINESS FORECAST FOR MAY

BUSINESS	SALES	RETAIL STOCKS	COLLECTIONS	COMMENTS
AUTOMOTIVE	May sales 2% less than April and 24% less than May, 1930, on passenger cars; trucks about 5% and 24% less respectively.	Slightly higher in both lines than in April, and both much lower than May, 1930.	About the same in May as in April, but slower than May, 1930.	Estimated passenger car sales for May, 270,000; trucks, 38,000.
DEPARTMENT STORES	Estimated seasonal increase of 7% in May over April, with a range of 2% to 10% less than May, 1930.	No change in May from April, but 7% less than May, 1930.	No change from April, but slightly slower than May, 1930.	Staple goods are doing better than style goods, and stocks remain light, as close buying is maintained.
HARDWARE	Seasonal increase of 10% over April, but from 10% to 15% behind May, 1930.	About the same in May as in April, but 10% behind May, 1930.	Some improvement over April anticipated, but less satisfactory than May, 1930.	Manufacturers, wholesalers and dealers continue to express confidence and optimism with regard to the future.
INSURANCE	Lower in life and fire, but higher in casualty in May than in April, and probably lower in all lines than May, 1930.	.....	Little change in all lines from April. Slightly better in life, and slower in fire and casualty than May, 1930.	A national drive for business stimulation backed by responsible organization in the industry will be launched in May.
JEWELRY	Distinctly better than April. Better in some sections, poorer in others, than May, 1930.	About the same or slightly larger than April. Probably less, but better assorted than May, 1930.	About the same or better than April. Sectionally better and worse than May, 1930. Installment collections hardest hit.	Majority of the big centers indicate improved business for May.
MACHINERY METAL PRODUCTS METAL	Steel plant operations at about 50% of capacity.	Seasonal activity in machine tool production is a hopeful sign.	.....	Hope for material gains is quite generally deferred until Fall.
PLUMBING AND HEATING	Continued improvement anticipated in May, but materially lower than May, 1930.	Contractors' stocks will continue low.	The larger contractors are still discounting their bills. Customer collections fair.	Residential construction continues its upswing.
SHOES	May will show an increase over April, and hold its own with May, 1930.	Increased stocks because of delayed sales. "In-stock" buying reduces retail stock on merchants' shelves.	Will continue normal and steady, and at about the same level as a year ago.	There is a real expectation of a good volume at retail in all lines in May.



# Materials Handling

## New Equipment Announced

**R**ECENT newcomers to the materials handling field, and which are adaptable to public warehouses, factories, dock and platform operations, etc., include the following:

Elwell-Parker Electric Co., Cleveland: A tiering electric truck fitted with telescoping uprights, of the three or four wheel type, has been placed in production. It is 28 inches wide, 100 inches long and has a 26x54-inch platform which tiers in the open to a height of 10 feet yet will pick up its load of 4000 pounds at 7 inches above the floor in an 83-inch-high railroad car. It can stack a car to the roof, as the platform rises to 61 inches before its secondary uprights begin to rise. This machine is of the intermediate capacity, while a small 3-wheeled type will care for lesser-weight loads. Safety control features are incorporated, and the independent control of brake and power for ramp performance is employed also. The travel, hoisting and tilting or auxiliary loading and unloading attachments are all driven by fuseless motors. The truck steers on all four rubber-tired wheels and operates in 70-inch aisles. It is actually a telescoping-upright type tiering-truck, as the secondary uprights telescope or slide down inside the stationary uprights. The machine is built in 3000, 4000 and 6000-pound capacities with 7-inch or 11-inch height platforms.

Lyon Iron Works, Greene, N. Y.: A lift truck which both lifts and lowers hydraulically has a capacity of 6000 pounds and has 17-inch-width platforms with length-carrying platforms ranging from 30 to 42 inches, and 26½-inch-width platforms with length-carrying platforms scaling from 42 to 60 inches.



Lyon lift truck

Height, lowered, ranges from 6 to 11 inches. Other widths, heights or lengths can be furnished when desired. Full turning radius, full operating radius, balanced handle and single frame are handling features. Wheels are furnished with Hyatt bearings, and roller and thrust bearings are in the steering mechanism. Divine canvas cushion

wheels, Metzgar wood wheels, special alloy aluminum wheels or other types can be furnished at extra cost in place of the standard wheels.

Illinois Iron & Bolt Co., Carpentersville, Ill.: A new general utility truck, for use in warehouses, garages, factories, freight houses, on delivery platforms,



Illinois utility truck

docks, etc., is a 52-inch "Hercules Midget" with 5¼-inch rubber-tired wheels. Frame and handle are of tubular steel, with 4-inch-width dash of forged steel, joints welded, wheels of cast iron, and finish of battleship gray with red wheels. Weight is approximately 27 pounds and capacity is 400 pounds. The truck is designed for moving boxes, barrels, cartons, crates, etc. The price, with adjustable hook included, is \$6 f.o.b. Carpentersville.

Lewis-Shepard Co., Boston: A new line of portable cranes is in several types, for general utility use in warehouses, factories and shops. Standard capacities are up to 2000 pounds but higher capacities can be furnished. One machine, of the hinged type, has both boom and main upright hinged, so that it can be taken through practically any doorway and yet used to the full height of the ceiling. Another is of the telescopic type, designed to accommodate any ceiling height and yet pass through

the ordinary doorway. A third is of the revolving hinged type, which will swing through an arc of 360 degrees, and a fourth is of the revolving telescopic type. All can be furnished with a hand worm drive winch, spur drive winch, and an electric drive winch. Air motor and gas engine also can be utilized where conditions require.

Terminal Engineering Co., Inc., New York: A 4-wheel drive skid handling truck is announced which is small enough to work in box cars, yet carries its load of 3000 pounds in an overhung position. The skid height need be only 2 inches below the platform and the skids can be easily made from scrap lumber, using 2x4-inch boards on their flat sides for the legs. Having these legs running the full length of the skid gives a web-footed effect so that the skid is more stable when packed, it is claimed, than one having four high legs at the corners. Having a 4-wheel, 4-motor drive, the truck travels 10 m.p.h. empty and 7 to 9 m.p.h. with a 1½-ton load. The elevating speed varies from 25 to 40 feet a minute with the standard motor but increases to a maximum of 60 if a special high-speed hoist motor is used. Loads are carried in an overhung position with no wheels directly under the load, this design enabling tiering skids without the aid of a helper, thus speeding up the work, it is claimed, and lowering operating costs. The truck is operated from a storage battery which is in a steel compartment over the wheels at the driver's end, to act as a counterbalance.

Mercury Manufacturing Co., Chicago: A special dock trailer is announced which handles entire sling loads of freight



Mercury dock trailer

from shipside to freight cars without intermediate rehandling or unloading of the sling. Designed particularly for dock purposes, this machine has a capacity of 5 tons, is 5 feet 6 inches wide, 14 feet long and 17 inches high.

## Haring Book on "New Business" Is Ready in May

(Concluded from page 31)

this respect the relation of buyer and seller is quite unlike that in the merchandising of a commodity—where one purchase has little necessary bearing either upon the last one made or upon the next to come. Warehousemen, in this manner, speak of their clients as 'accounts' or 'patrons,' not as 'customers'—the thought in their minds being always that of a continued business relation.

"Nevertheless, in the lack of 'new business' to be had, much of our warehousing solicitation has taken the form of 'switching accounts,' or the attempt to do so. Needless magnifying of another's short-comings has been the natural argument to this end; price cutting, the natural weapon.

"In the hope, then, of stirring the imagination to possible sources of entirely new business and of elevating, to some slight degree, the plane of solicitation, this series of articles was launched.

"How hesitant was the undertaking may be guessed by the reader when we confess that the initial articles of the series were printed anonymously. It was felt by the editor of *Distribution and Warehousing* and in no less degree by the author of these articles that such an unidentified writing would be less embarrassing to withdraw from the publication, as an announced 'department' of each issue, if the author's name were not attached!

"The first article appeared in the issue for November, 1925. The second was printed in December. No third is, however, to be found in the next issue, that for January, 1926. But, even before that number had gone to press although too late for preparation of a third article, overwhelming evidence had come to the publishers that the series on 'New Business' had value of a most practical sort. Readers began to respond by those effective ways they find to let an editor know their likes and dislikes. And, cumulatively throughout the six years which have followed, the subscribers have encouraged a continuation of this 'department' in *Distribution and Warehousing*. To the author himself no writing on any subject or in any publication has ever brought one-half the personal satisfactions of these articles. Warehousemen, everywhere and from all types of houses, have, on occasions almost without number, expressed appreciation through that finest of all tributes: told how they have made money by adopting this or that suggestion for 'New Business.'

"Nevertheless, for a year and a half, the series appeared anonymously in the pages of *Distribution and Warehousing*. Not until the nineteenth article (June, 1927) was the author's name formally assigned to the series.

"The central theme for the series, as announced with the first article, was:

"Development of New Business will

add to the total volume of goods distributed through public warehouses. It will add, not only to your own profits, but will also build profits for the industry as a whole.'

"This thought has been carried consistently. It is still the 'platform' of succeeding articles as they are written from month to month.

"The author makes no claim, for one moment, that any suggestion in the entire series has been particularly 'original' with himself. Rather has the purpose been that of relaying from one warehouseman to another a proven source of New Business, so that, through the medium of the industry's recognized trade publication, each may profit from the experiences of others. The subscriber's imagination may be stirred by learning what others have found helpful.

"The suggestions, therefore, for New Business for Warehouses, have flowed from a wealth of personal contacts with warehousemen up and down the United States and often from the Canadian side of the border. These contacts have been made possible by two circumstances. First has been the author's opportunities for wide travel, rather continuously, through all the years of these articles. Second in order, but transcending the other in importance, has been the willingness of warehousemen to talk to an outsider freely about their business affairs, trusting that he will not—as he has conscientiously tried not to do—divulge too definitely any privileged information. The author can never forget the endless number of suggestions from warehousemen themselves.

"New Business for Warehouses, as any reader can see for himself, owes nothing to the author except that he has gathered together and presented in somewhat coherent form the helpful suggestions of warehousemen—particularly those forward-looking ones who never falter in their efforts to develop 'new business.' True it is that they are seeking volume primarily for their own houses, but, by intelligent and broad-gauge solicitation of 'accounts,' they are building up also much 'new business' for the industry as a whole. Some of the methods they have found successful constitute the material from which New Business for Warehouses has been written."

## Features of Crooks Plant, Kansas City

(Concluded from page 26)

closer to the space on an upper floor from which material is being shipped or to which it is being consigned. Then again it may be desired to unload a cargo as near as possible to a platform scale, two of which are located on the first floor.

When you ship goods to a fellow warehouseman—use the annual *Warehouse Directory*.

## The Family Album's Outline of Career of Malcolm R. Mathews

(Concluded from page 21)

years, during which time he was married. In the meanwhile also, one of Mrs. Mathews' uncles had passed away, leaving the young couple an insurance business, which Mr. Mathews ran for another four years.

Oil and gas were discovered in large quantities in West Virginia about that time and, on the wave of the boom attending such developments, Mr. Mathews drifted along with the crowd.

On his father's death, however, he returned to the warehouse business, and he has remained there ever since.

When the elder Mathews died, the estate was divided among the sons and it was quite natural that Malcolm R. should take over the warehouse, with which he was so familiar, while another brother turned to the management of the printing business. The daily evening paper founded by Mr. Mathews, Sr., was known as the *Mail Tribune*. It is now the *Charleston Daily Mail*. The printing business still is run by a brother of the subject of this sketch and in the original building.

The Mathews warehouse started with some 10,000 square feet of floor space. It now has between 50,000 and 60,000. There are three buildings now—a new warehouse, an annex for storage, and a garage, all close together.

Two of the Mathews brothers have been actively interested in politics for many years. Malcolm R. has served as chairman of the Congressional committee of his district for four years, and in May, 1928, he was appointed postmaster of Charleston. This latter office takes two-thirds of his time. One brother has been in the Legislature three or four terms and is a member of the City Council.

Charleston, if one may take Mr. Mathews' word for it, is a beautiful place to live. Situated between mountains on a lovely river, the town affords plenty of time to play. Community life is ideal—and the fishing unsurpassed. Mr. Mathews plays golf and is a member of the Rotary Club and of the Masonic Lodge. He and Mrs. Mathews have three boys, 18, 14 and 8. The eldest is a freshman in Virginia Military Institute at Lexington.

## Change of Name

The New York household goods warehouse firm known as G. Santi & Co., Inc., operating at 810-812 East 170th Street, the Bronx, has changed its name to the Globe Fireproof Storage Warehouse Co., Inc.

The alteration was made "due to the conflicting names in our locality," according to Louis Cella, president. "Santini," "Santina," "Santine" and "Santini," together with "Santi," are names identified with other warehouse firms in the general vicinity.

# MOTOR FREIGHT

Reg. U. S. Patent Office

**FOR** the busy executive of a warehousing business who is keen to keep abreast of the times there are several important new things to think about in the field of motor freight. Developments are following one another at a rapid pace, and all have a distinct bearing on the cost and opportunities of handling the hauling requirements of any warehouse business, regardless of its size. There are many advancements being made on the manufacturers' side of the industry, and some of these will be discussed in this department, which is conducted

By Philip L. Sniffin

## THIS MONTH

### How Advisory Engineers Look at Operation Costs

**T**HERE are good reasons why motor truck advisory engineers are today discouraging the use of "ready made" cost systems and urging truck users to adopt systems of their own with the help of their local accountants.

More than this, there are reasons why they are trending away from the cut-and-dried methods of aiming to compute, by rigid formulae, the cost-per-mile or per-unit of each vehicle in service, with detailed accounts of how these costs relate to performance.

The aim today is to look upon a vehicle as a means of creating and handling business and of producing a profit. Just as with a company which takes on as an employee a salesman whose mission is to create business at a profit, a motor vehicle is coming to be looked on more as an employee, to stand on its own feet and show an adequate return on whatever figure represents its complete cost per week, per month, or whatever the period established may be.

Modern cost-keeping does not, however, stop here. It is recognized that some provision must be made for comparing the performance records of all trucks in some way so as to discover the relative merits of various makes, types and sizes. This, of course, is necessary as a part of any operation analysis. We must be sure that we are using the right vehicles on the right work, and this is only possible when we can compare the economy of one type versus another on a basis of what each actually costs.

**O**NE danger in cost-keeping (with the foregoing always in mind) deserves emphasis. All costs must be included for all vehicles, in order that correct comparisons can be drawn.

Often we find that there is no definite policy which says which costs should be included and which should not. In some businesses, for example, items are charged to a general overhead account when they actually belong against a certain department. Again we find that charges are being made unjustly against vehicles when they belong to the overhead account or to some other phase of the business.

There must be some form of standardization of cost figuring which will be fair to all routes and to all types of

equipment. If one truck or route requires more "administration," for instance, than another, there must be some method of charging that truck accordingly. If one truck is put on work such as taking the owner's wife's trunk to the steamship or carrying lumber for the building of an addition to the plant, a fair allowance must be made in the performance column.

The process is very much like a "job ticket" system in which each "job" or route is charged actually for the truck time and performance required.

#### Three Kinds of Costs

**I**N order that complete costs may be considered and none omitted, most of those who have studied this subject

It is not as difficult to do this as it may at first seem. In some businesses it can be handled by a very simple form of interpretative reading or monthly summary, which can be drawn from the individual expense and performance calculations. In other words, both cost records and performance records, as they are originally entered and itemized, are entered in such a way that we can compute (with a balance to check) what one truck has cost for the work it has done in comparison with another. This permits a flexible way to discover relative advantages in gas trucks, electrics, etc. It can go even further than this by comparing economies of different brands of gasoline, oil, tires, different drivers, helpers and such items of running expense. It can likewise be made to answer the question as to whether it is better to establish a repair shop of our own or to have such work handled outside.

The modern cost-keeping system, therefore, aims first to determine the amount of profit or loss actually returned by each vehicle. It is supplemented by such information as will enable vehicles to be compared in their costs and performances. And, finally, it is designed to be an easily interpreted bird's-eye view of the situation as it exists and confronts the executive responsible for route operation. In accomplishing the latter objective it automatically discloses leaks which can be readily checked as well as the bigger possibilities of waste which can be studied and, through changes in policies, continuously avoided.

find it best to divide these costs into three separate classes—fixed charges, maintenance charges, and running costs.

Among the fixed charges are the items of amortization (reserve for depreciation); interest on investment; insurance; taxes, and licenses.

Among the maintenance charges are garage (including rent, heat, light, power, etc.); repairs; tires; painting; overhauling, and administration requirements. Among the running costs are gasoline (or electric power); wages of drivers and helpers; grease, kerosene, and waste.

This, then, as a summary, is the picture to place before us as we begin the problem of modernizing:

First, the vehicles—are they suited to



the work they are called upon to perform?

Second, the routes—are they well adapted and flexible enough for the present and future requirements of the business?

Third, the maintenance policy—could it be improved?

Fourth, the drivers—are they on their jobs?

Fifth, cost knowledge—do we have it the way we should?

These comprise, in effect, a recipe for checking up on and getting that valuable fresh slant. It is exactly the procedure followed by practically every delivery counsellor when he is called upon to "modernize." By keeping it as a guide, any executive can do "as much by himself"—provided, of course, he is willing to take the time and interest that is always required.

#### Put Cost Records to Use

COST records, when properly kept, can always be depended on to reveal constant opportunities for improvement. They form the basis upon which your outside delivery counsellor begins work when he aims to reduce your truck costs or to increase your truck efficiency.

Experience has shown that, no matter how good a given system may be, if cost records are studied and new methods and plans are watched for, remarkable savings can be made. A system which may represent the maximum of efficiency at the end of one month, may,

if costs are studied continuously, be subject to still further improvements at the end of the following month.

The way in which to go about getting such a saving can probably be shown best by a simple illustration of a company whose route system was very much in need of improvement. Although this concern called in an advisory engineer to make a study and a complete reorganization of the route department, the average firm need not go to this expense. By going about things in the same manner and approaching the various phases which lend themselves to improvements in much the same way that the advisory engineer does it, an executive who is willing to take the time for the study and to become familiar with new ideas and practices can do as much for himself.

In probably 80 per cent of the concerns in which an advisory engineer might begin the problem of modernization, he will find a miscellaneous assortment of vehicles which had at first represented a nucleus of equipment and which had since been added to by new types of trucks, as seemed best at the time, without much rhyme or reason.

In our example, this was exactly the case.

The first step was to look over the present equipment to see how well each vehicle was suited to the work it handled.

The questions were whether gas trucks and electrics were being used on the

right routes; whether old trucks and new trucks were being put on work that was suited to them; whether truck sizes and capacities were properly adjusted; and whether there was available any particular type of equipment which could be bought or traded, for that would represent a substantial economy—big enough to make the change worth while.

In this case, for example, it was found extremely economical to dispose of one large truck and install two light trucks in its place. It was likewise discovered that it was best to put the newer vehicles on the routes requiring the hardest work, thus considerably prolonging the lives and reducing the repair expenses of each truck in the fleet. Another important decision was that, as a certain number of gas trucks wore out and were ready to be traded in for new equipment, electrics should be bought instead of gas trucks to handle the particular routes on which electrics offered the most advantages.

The study was, in fact, carried to such a fine point that it was found to be more satisfactory to keep the gas trucks which were at present running on these routes until they were no longer fit for service than to make the exchange now.

#### Route Plans

THE next step, after obtaining a fairly accurate picture of the equipment and the way it serves the delivery needs,

## New Vibration Recorder Shows Idling Time

THE Electric Tachometer Corporation, Philadelphia, has placed on the market a new type of motor truck operation recorder—the "Tecto Tim," designed to show, in addition to the operating and idle periods, whether the motor has idled during the truck's stop.

In the new type of trucks with highly developed motors the vibration from motor idling has been eliminated so that the average vibration type recorder does not show, with any degree of certainty, the motor idling, it is explained. The "Tecto Tim" has an electric device which lifts the writing mechanism away from the chart when the truck's motor is shot off. As soon as the motor is started the writing mechanism comes into contact with the wax-coated chart. If the truck stands still and the motor idles, the recorder traces a narrow line on the chart. As soon as the truck is operated the pendulum swings back and forth and shows operating time as a heavy wide line. As soon as the motor is shut off the recording mechanism is lifted away from the chart and the time of the stop appears as an open space on the chart.

The accompanying illustration shows an actual chart made on a truck with



conditions just as they existed. The vehicle was operated by three different drivers. The chart indicates a motor idling period of several hours in the mornings of the last three days. All stops, delays, layovers, etc., are shown. The manufacturers explain further:

"The chart can be changed daily, every

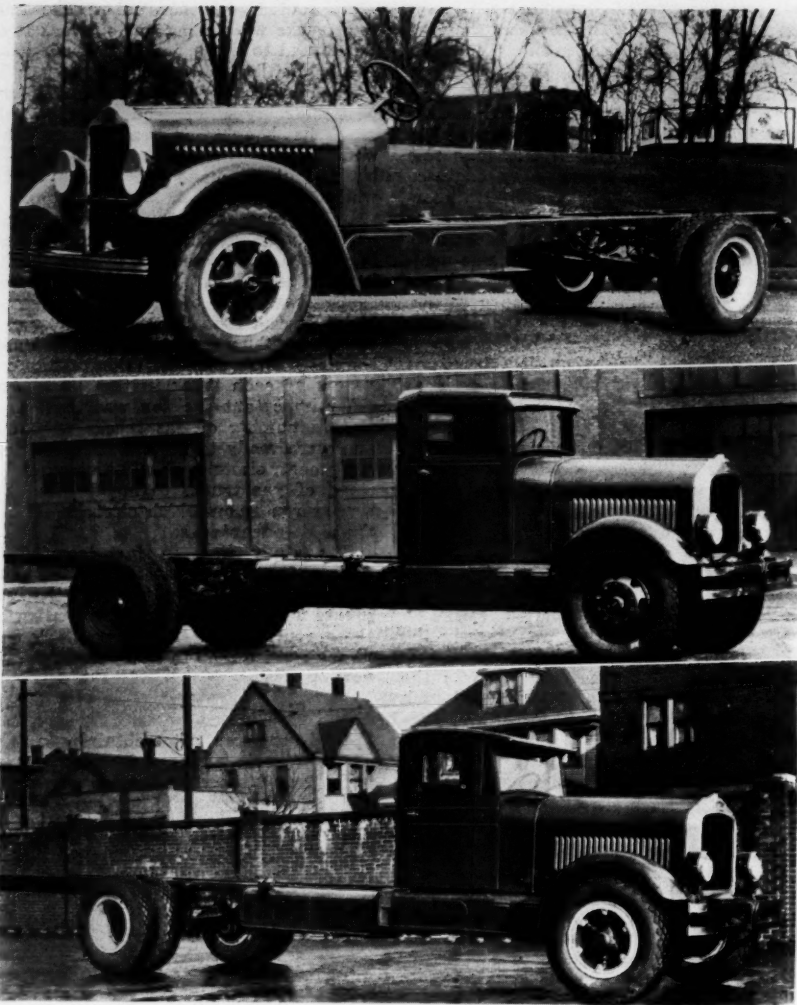
### "TECTO T.I.M." Announced

other day, etc., or left in the recorder for a full week. In changing charts daily it is not necessary to remove the chart at some predetermined time, because the recorder cannot retrace and spoil the chart. This simplifies maintenance and enables changing of the chart when most convenient.

"This motor idling recorder can be furnished for either 6 or 12 volt systems. On trucks not equipped with electric system the recorder can be furnished with a vacuum attachment which is connected to the vacuum system or to the manifold, just as on windshield wipers.

"The motor idling recorder will show the owner of a fleet of trucks when it is advisable to shut off the motor and when it is better to leave it running. Proper instructions can be issued to the drivers and the chart will show whether they follow these instructions and in addition give an exact picture of the truck's performance.

"Considering the savings possible on fuel by stopping these long periods of motor idling as well as the harmful effects on the motor itself, this new type of recorder offers great possibilities for the owner of trucks operating either small or large fleets."



Illustrating The White Company's three new series of 6-cylinder trucks. At top, the 620, in two models with gross weights of 15,000 and 18,000 pounds and with wheelbase range from 145 to 195 inches. Center, the 630, in two models, 20,000 and 40,000 pounds, with wheelbase lengths ranging from 157 to 215 inches. At bottom, the 640, with gross weights scaling from 20,000 to 32,000 pounds for 4-wheelers up to 40,000 pounds for 6-wheelers, the wheelbase range being from 157 to 214 inches.

is a study of the manner in which the work is split up into territories or routes.

Too often, as in this case, it is found that routes have grown or changed so quickly that no real system is employed to avoid duplicated work. As routes grow and as rush periods come and go, delivery managers are too quick to take the easiest way—to patch up here and there, equalizing the drivers' work, taking territory from one and giving it to another without regard for a centralized, economical scheme of route handling.

The result is that we find many managers hopelessly surrounded by a hodgepodge of routes from which there seems to him to be no way out.

A fresh viewpoint is the thing he needs—a bird's-eye view of his situation and a complete reorganization based on the modern scheme of *flexible* routes plotted with the idea of further growth in mind.

With such a plan inaugurated on a

basis to meet his individual conditions and territory, he knows exactly what to do when he feels the load of expansion. Route adjustment then becomes an automatic procedure, and changes are always anticipated well in advance.

The next objective to be painted in our bird's-eye picture of our truck system is the maintenance policy. Much has been said in these articles about maintenance. It is, indeed, perhaps the most variable of all costs entering into truck expense, and it is here that some of the biggest opportunities for easy economies are to be found.

In a fleet being operated without a fixed system of maintenance it is such a simple matter to reduce operating costs and idle truck time by establishing the right policy of inspection, lubrication, and adjustment, that it is a wonder there are so many concerns today that need it.

Yet many there are, probably because, in the day-to-day rush of things, it is

natural that productive measures, not preventive measures, should be the first consideration.

If only every fleet owner could be made to sit back from his whirl of activity long enough to get this fresh viewpoint on how many dollars can actually be saved by good maintenance, one big item of overhead in our industry would benefit immeasurably.

Our fourth opportunity for lower costs (and here for greater productivity as well) lies in the policy of handling drivers. Some remarkable things have been done by truck advisory engineers in their methods of modernizing truck systems through driver bonus plans and contests. These are, in fact, the methods most frequently used by them to secure the cooperation of drivers in putting the reorganized policies across.

Those who have carefully studied the various phases of operation concede that, while a system may be arranged so as to put the work on a basis fundamentally right, the success which such an arrangement will meet is entirely in the hands of the drivers.

The proper selection of drivers, the holding of each driver's interest, and the maintaining of some incentive for better work on the part of drivers, are, therefore, important parts of our modern viewpoint.

#### Again Looking at Costs

COST computing is a most difficult thing to shed light upon in any broad way that will be at all helpful in an individual case. We cannot, therefore, say here that any one particular method should be adopted or favored in our modernization scheme. Anyone who has been in the field, and who has been able to obtain a picture of the varying conditions under which trucks are used, knows that it is futile even to suggest, in a general way, the ideal cost keeping system. As to cost methods, one man's meat is another man's poison. What may work out splendidly for one concern for one specific set of conditions may hopelessly confuse another.

This, therefore, is a job for a local accountant. Experiments which have been made thus far by the associations in many industries have failed miserably in their efforts to arrive at some form of standardized practice.

Probably the best piece of advice that can be given to the reader of this article on the subject of delivery cost figuring, is: avoid reading or listening to all descriptions of how other firms keep their costs, what these costs are, and how they relate to the volume of work accomplished. We who have on our hands the problem of the manager who points to another's cost experience and tries to adjust his local conditions to meet that other's methods, know how very unsatisfactory, and, in fact, impossible, such a procedure is.

The first problem of all, in any delivery scheme, is to get that system working; however, it will best meet the requirements of the business, based on actual local conditions of types of loads, routes, vehicles, and such things. Then, and then only, should the methods of

keeping track of costs be considered and molded to fit conditions then established.

This much can be said: the simpler a cost system can be made, the better it will function and the more easily it will be interpreted.

The objective should be this: to tell the executive of that business just the things he needs to know so that he may continue to keep at all times that bird's-eye view which he gets at the outset. He should not be interested as much in what it costs per mile to operate his vehicles as in how much business each vehicle will bring in and what it costs to get it. A vehicle which costs 20 cents a mile may be more economical to the business than one which costs 16 cents a mile. It depends on the territory covered and upon how much and what kind of business that vehicle brings in.

It is important that this viewpoint be given to the subject of truck costs. It is, after all, the only one broad viewpoint that has a real value. Too few managers seem to realize this. There is too much attempt to see how far a truck goes on a gallon of gas and not enough attempt to see whether a certain type of delivery work is profitable to the business.

This writer has seen a sufficient number of examples of benefits obtained from this viewpoint to feel safe in saying that it is, by far, the most valuable viewpoint of any that can be taken. It happens frequently that, in reviewing costs from this angle, it is discovered that a business may be thriving because of some routes and in spite of others. In other words, some routes may not be actually paying their way while others may be so profitable as to be worthy of much more intensive cultivation.

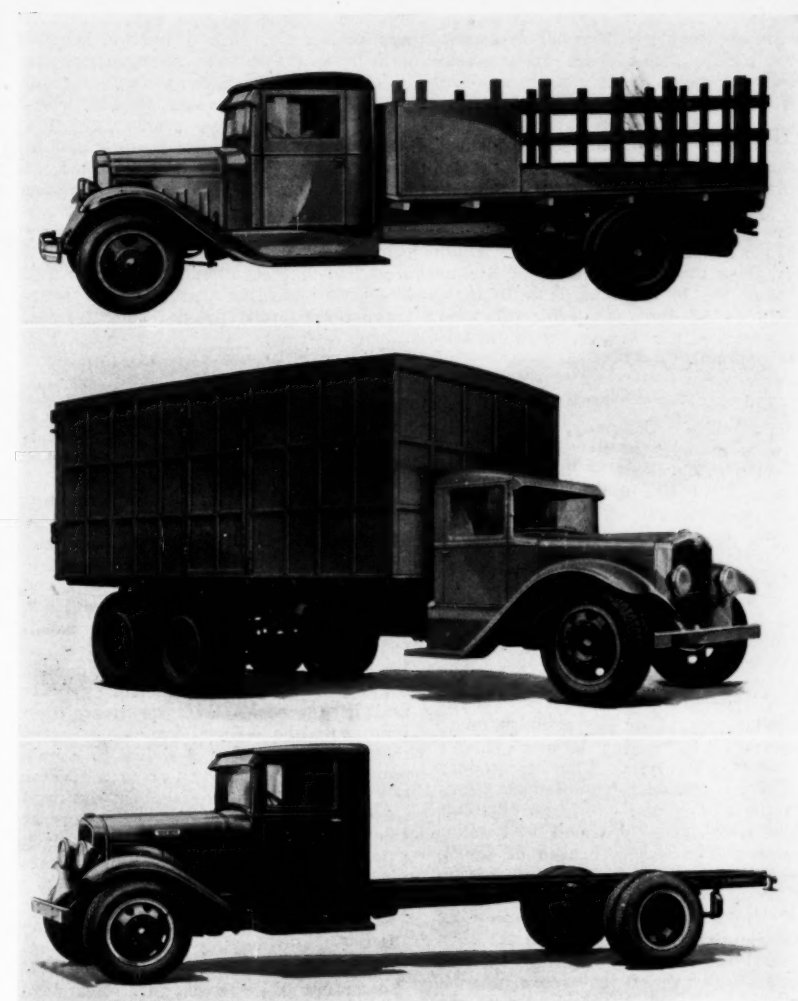
The ideal cost system takes into consideration the profit returned on each truck's costs separately and in relation to the work and profit produced by that truck.

### Recent Models

**CORBITT TRUCK CO.**, Henderson, N. C.: Three light-duty units range in capacity from  $\frac{3}{4}$  to 2 tons, with a full line of cabs and bodies available, including stake, open express, canopy-top express and panel. Model 4B4 is rated at  $\frac{3}{4}$  to 1 $\frac{1}{4}$  tons, Model 8B6 at 1 $\frac{1}{2}$  tons and Model 10B6 at 2 tons, all equipped with L-head Continental engines, single-plate Brown-Lipe clutches and 4-speed transmissions. The braking system consists of 4-wheel hydraulics for service and transmission drum for hand braking. The three respective wheelbases are 132, 136 and 163 inches.

**Diamond T Motor Car Co.**, Chicago: Model 750, rated at 24,000 pounds gross and designed for heavy-duty high-speed service, is equipped with a Hercules engine, 5-speed transmission, double reduction axle and 4-wheel Westinghouse air brakes.

**Graham-Paige Motors Corporation**, Detroit: A new 150-inch wheelbase  $\frac{1}{2}$ -



Three of Sterling's new models. At top, FB-30, rated at  $\frac{3}{4}$  to 1 $\frac{1}{4}$ -ton, with chassis, including full equipment, listing at \$795 at factory. Center, FC-107, designed primarily for fast commercial hauling, the chassis, in wheelbase lengths of 192, 207 and 222 inches, lending itself to 6-wheel attachments, thus creating greater payload capacity. At bottom, FD-80, a double reduction unit of 3 $\frac{1}{2}$  to 4 tons, available in four wheelbase lengths.

ton delivery car lists at \$895 with either panel or screen body. The powerplant is a Graham-Paige 6-cylinder engine. Drive is through a single plate clutch, a 3-speed transmission and a semi-floating spiral bevel gear axle. Service brakes and internal hydraulic on all wheels, with the parking brake on the transmission. Wheels are wood and equipped with 5.50/18-inch balloons.

**Relay Motors Corporation**, Lima, Ohio: Model 100-B is a new 5 to 7 $\frac{1}{2}$ -ton chassis equipped with a Buda GF 6-cylinder engine mounted in unit with a Brown-Lipe clutch and a Brown-Lipe 4-speed transmission, a Relay axle, and an 8-inch plate reinforced pressed steel frame. The braking system comprises hydraulic 4-wheel brakes for service and an external type brake on propeller shaft for parking. Metal wheels, standard, are equipped with 9.75/24-inch balloon tires with duals at the rear.

**Sterling Motor Truck Co.**, Milwaukee: An entirely new line includes 29 distinct models of capacities ranging from a  $\frac{3}{4}$ -ton to a 12-ton in a broad array of wheelbase lengths in bevel, worm, double reduction, chain and dual drives for commercial and dump hauling. New lower prices are announced which include full chassis equipment and scaling from \$795 for the 1-ton six to \$12,000 for the largest model. The bevel drive trucks embrace six models from  $\frac{3}{4}$ -ton to 4-ton, with wheelbase lengths from 142 to 204 inches, equipped with hydraulic 4-wheel brakes; Timken axles, both front and rear, and Budd steel wheels are standard equipment. Five double reduction drive speed trucks of medium to heavy carrying capacities are offered with wheelbases from 126 to 222 inches and equipped with 4-wheel hydraulic brakes with powerful boosters. Four models, with worm drives, have axles by Timken, disc steel wheels by Budd, and



wheelbases vary from 126 to 230 inches, and are obtainable with either hydraulic or air brakes. The chain drive series consists of seven models from a 5-ton to a 10-ton, all having 4-speed transmissions, with Sterling patented auxiliary transmission optional. The 4-wheel chain drive units, new in principle, are supplied in three sizes—7 to 8 tons, 9 to 10 tons and 10 to 12 tons, with wheelbases optional and Westinghouse air brakes as standard equipment. Dual worm drive units are in sizes of 3½ to 4½ tons, 6½ to 7½ tons, 9 to 10 tons, and 10 to 12 tons, all equipped with Westinghouse air brakes, with wheelbases optional.

The White Company, Cleveland: Three new series of 6-cylinder models provide a comprehensive line of chassis ranging from 15,000 to 32,000 pounds gross weight rating, to cover the medium, heavy duty and super-heavy duty fields. In the 640 series the range of wheelbases, axles and transmissions and the units are for use from dump truck work up to the larger tractor-trailer operations, together with 6-wheelers for maximum loads. The gross weight range of these chassis varies from 20,000 to 32,000 pounds for 4-wheelers up to 40,000 pounds for 6-wheelers. The engine is a 6-cylinder overhead valve type. The heavy duty truck transmission is mounted as a unit with the engine and has large diameter shafts with large size ball and roller bearings. Four-wheel brakes of the 2-shoe internal expanding type are standard throughout and the emergency brake is of the double drum internal expanding type mounted on the driveshaft; when an auxiliary transmission is used, an emergency brake of the single disc design is substituted. The wheelbases are 157, 180, 195 and 214 inches, the last being at additional cost, with special wheelbases furnished at extra cost for both 4-wheeler and 6-wheeler. The 630 series comprises two models, 20,000 and 40,000 pounds, for heavy duty service in all kinds of operation. They are equipped with a 6-cylinder engine of the overhead valve type. The heavy duty transmission is mounted as a unit with the engine. Four-wheel brakes are cam-operated with external hydraulic cylinders, with a vacuum booster furnishing power for brake application; 4-wheel air brakes are optional at extra cost. The emergency brake is of the double drum internal expanding type mounted on the driveshaft. Wheelbases are 157, 168, 188 and 215 inches, the last at additional cost. At extra cost cabs can be furnished on all these chassis. The 620 series has two models in gross weights of 15,000 and 18,000 pounds and are designed with a range of wheelbases and other units effectively to cover all fields of operation within this capacity range. As with the other two series, the engine is a 6-cylinder overhead valve type with the heavy duty transmission mounted with it. Four-wheel brakes, standard, are of the 2-shoe

internal expanding type with hydraulic application and with a vacuum booster as a brake servo. The emergency brake is of the single drum 2-shoe internal expanding type mounted on the driveshaft. The wheelbases are 145, 157, 174 and 195 inches, the last being at additional cost. Cabs can be furnished, at extra cost, on all these chassis. Balloon tires are standard throughout the three series, as are cam and lever steering gears, complete electrical equipment, electrical or mechanical fuel pumps and 50-gallon gasoline tanks, and heat-treated reinforced pressed steel frames.

### New Trailers

FUHRMAN TRAILER CO., Canton, Ohio: Two-wheel and tandem-wheeled semi-trailers placed on the market are equipped with booster amplified hydraulic brakes or air brakes and built with either straight or underslung frame of 12 to 18-inch drop. Model S-6, the 2-wheel 6-ton job, is furnished in five lengths ranging from 18 to 26 feet and listing at \$1,815 to \$2,100. Model TT-8, the tandem-wheeled 8-tonner, is available in four lengths, 22 to 28 feet, at \$2,600 to \$2,800. These prices include brakes, tire equipment, front supports and fifth wheel. Oversize tires, drop frames and bodies are available at extra cost. For operators desiring to couple more than one semi-trailer to a tractor the company supplies dollies equipped with 36x8-inch dual pneumatic tires at \$1,050. The fifth wheel is of the 30-inch tilting type and has a large slotted locking plate which turns 90 degrees for coupling. Cast steel spoke-type wheels are carried on 3½-inch tubular alloy steel axles. Braking equipment is optional—either Westinghouse air or B-K booster amplified hydraulic. Standard or special types of wood or steel bodies are furnished at extra cost.

Lapeer and Trailmobile Companies, Cincinnati: A new light-duty semi-trailer is designated as the 3-5-ton Dispatch, available in both automatic and manual types—namely the Lapeer Automatic and the Trailmobile Manual. The automatic type has overriding brakes to control speed, wide surface rollers on the upper fifth wheel, complete cab control, and an improved support leg. The manual type incorporates a Trailmobile-type coupler providing angular coupling and is equipped with parking brake lever located on the side near the front. Frames are of pressed steel, and a 3-inch drop lowers loading height. Cross members also are of pressed steel, reinforced by gusset plates. Brakes are of the internal type, expanding in 16x3-inch drums, and brakeshaft floats in dust-tight, grease-packed ball bearings. Budd wheels are standard and chassis lubrication is Alemite. The average weight of the Dispatch chassis with brakes is 2200 pounds, length is 15 feet, width 40 inches, height on 30x5-inch tires, 42 inches; spindles 2¾ inches, tread 61½ inches.

### Federal Reduces Two Truck Prices

A substantial price reduction on two of the most popular Federal truck models has been announced by M. L. Pulcher, president of the Federal Motor Truck Co., Detroit. The new prices now in effect are \$795 for the 1½-ton four-cylinder chassis and \$895 for the 1½-ton six-cylinder chassis.

These low prices are made possible by manufacturing economies recently effected, according to Mr. Pulcher. There are no changes in design, but typical Federal all-truck construction is maintained throughout.

Federal officials report indications of an increased demand among domestic and foreign commercial car buyers tending to show a steady improvement over 1930.

### Woodside and Sebold Officers of New Motor Truck Body in Georgia

TWO Atlanta warehouse executives have been elected officers of the recently organized Georgia Motor Truck Operators' Association, formed to oppose restrictions and additional taxes on motor trucks in Georgia.

John J. Woodside, president of the John J. Woodside Storage Co., Inc., is treasurer.

George Sebold, vice-president and local manager of the Walker Storage & Van Co., is secretary.

Mr. Woodside is a director of the National Furniture Warehousemen's Association. Mr. Sebold was at one time president of the New Jersey Furniture Warehousemen's Association.

### Georgia Has a New Motor Vehicle Law

Operators of trucks and buses in Georgia may pay either a straight levy or a mileage tax under the terms of the new motor vehicle tax measure adopted by the special session of the Georgia Legislature recently brought to a close.

Operators who choose the straight tax levy will, in the case of lines less than 120 miles, pay from a minimum of \$25 to a maximum of \$100. On buses and trucks weighing in excess of 12,000 pounds, the schedule is graduated, and ranges from a minimum of \$400 to \$800 per vehicle.

The new motor vehicle tax bill has been signed by Governor Hardman, and goes into effect about May 1.

### Burnham Elected

H. W. Burnham, vice-president of the United States Freight Co., has been chosen treasurer to succeed H. L. Bockstahler, resigned.

H. E. Brown has been elected assistant treasurer.

When you ship goods to a fellow warehouseman—use the annual Warehouse Directory.

# General Motors Surveys Moving as an Industry

and Finds Profits Are Possible  
When Management Is Sound

**S**OUND methods of truck management, operation and maintenance by which successful companies in the warehouse and transfer business have been able to show consistent profits on moving operations in the face of today's competitive rates are disclosed on a survey-report made public by the General Motors Truck Company, Pontiac, Mich. Titled "Increasing the Mover's Profits With Trucks," this twenty-four-page document with graphs and charts is based, General Motors states, "upon impartial, trained observation of moving in many sections of the United States," and the facts uncovered are recorded "without bias, and favor no make of trucks."

The report clearly indicates, says the General Motors announcement accompanying the booklet, "that truck management largely determines whether or not the moving end of the business shows a real profit, merely breaks even, or loses money."

Every phase of moving is carefully analyzed in the survey, and concrete and workable suggestions are offered to correct unprofitable practices. The problem of avoidable idle time during rush seasons and slack is covered from every angle.

The report is the tenth of a series of trucking inquiries in major industries, conducted by General Motors on a nationwide scale, and the document dealing with moving should be in the possession of every warehouse executive operating trucks in connection with a household goods business.

"In making these studies and publishing the survey-reports we have no 'axe to grind,'" according to Paul W. Seiler, president of General Motors. "The benefits of these close-up surveys are three-fold: first, the practical information is designed to help operators obtain full profits from their trucks, regardless of makes; second, the facts may help equip our field organization to make workable suggestions on the individual case; third, the surveys provide information of definite value to our engineers in the design and construction of good 6-cylinder trucks to meet the special requirements of individual vocations."

The report is divided into five sections:

- I. Making Moving Profits Pay.
- II. Managing Trucks for Greater Profits.
- III. Increasing Profits by Better Planning.
- IV. Using Records to Control Trucks.
- V. Buying Trucks for Greater Profits.

Phases covered in the five sections include saving of truck time at the warehouse; avoiding time losses on the job; reducing time losses in the repair shop; providing sound driver-management; making time savings profitable; scheduling loads more profitably; combining small lots effectively; spreading out peak business; using surplus truck time profitably; combining storage and hauling service; sources of cost information; using records to increase profits; buying proper truck capacity; overloading; suiting truck design to the job; items to watch when buying trucks, and increasing profits with trailer equipment, and the document concludes with "A Sound Plan for Truck Operation."

"Truck management," we read, "is the strongest single factor in determining profits on moving. This statement is borne out by the fact that in most moving and storage concerns the cost of truck operation and drivers' salaries together make one of the largest expense items in the business."

"Furthermore, sound truck operation has important bearing on other departments and largely determines profits from storing, packing, shipping and other activities, because in a great majority of cases the mover's ability to get a job depends on these factors:

- "1. The estimated charge for moving goods to and from the warehouse.
- "2. The mover's reputation for giving dependable timely moving service."

The report proceeds on the sound foundation that economies introduced into the truck operation must not result in any curtailment of service; on the other hand, that they be so devised that they may bring about actual improvement.

Facing frankly the fact that in the average moving business trucks are really busy only 40 to 60 days in the year, the survey was developed along two lines; first, eliminating lost or idle time when business is plentiful; and, second, finding profitable work for trucks in normally dull periods.

In busy seasons, the General Motors representatives found truck profits sometimes were stepped up by simple changes in warehouse arrangement and practice. Such problems as failure to have loads ready when trucks arrive, congestion at the loading dock, delays in checking loads, and unsuitable dock arrangement, are discussed at length and in detail. For instance:

"Movers' trucks often lose many min-

utes each day because outgoing loads at the warehouse are not ready for loading when the trucks are ready. A mover in New York State, who found that his trucks were losing an average of two hours a day from this cause, eliminated the delays by insisting on close scheduling of all warehouse handling. Under this plan each day's operations were listed and scheduled by early afternoon of the preceding day. Warehouse operations were then scheduled as follows: (1) All loads to go out first thing in the morning were assembled on the warehouse floor the previous afternoon. (2) Loads to go out later in the day were scheduled to be assembled, complete, one-half hour before the estimated time of arrival of the truck. The warehouse superintendent estimated savings on some days of as much as six hours, after this plan went into effect."

The survey notes that "estimators too often confine their activities to getting the bare facts necessary to figure the cost of a given job," and "many movers declare the estimator can be of invaluable assistance in the profitable management of truck equipment if he will:

- "1. Impress prospective customers with the need for being ready to move at the specified time.
- "2. Urge the desirability of having all packing done in time to prevent delays.
- "3. Point out that time and annoyance will be saved by having payment ready when the job is completed.
- "4. Encourage the customer to have the job started at a time which will fit well into the mover's schedule without leaving odd hours at the start or the end of the day.
- "5. Consider carefully the advisability of using an additional helper to reduce the time required to load and unload the truck. If there is a long carry involved, an extra helper may save money for the customer and enable the truck to handle an additional job during the day."

Drivers, the survey points out, are all important in profitable operations, "because proper maintenance to guard against costly breakdowns is largely in their hands." A plan for drivers' reports of truck condition and for periodical inspection is given, and a bonus plan is suggested by which drivers would receive extra compensation for careful work and would be penalized for failures. Emphasis is given to the importance of proper selection of drivers, and their training.

While a wide variation in the average size of loads was discovered in various

(Concluded on page 68)

# WITH THE ASSOCIATIONS

HERE is presented in tabloid form the Association news that is of *general interest* to the industry as a whole. No effort is made to publish complete reports of all Association meetings; the dissemination of such information is logically the work of the officers and the committee chairmen. What is presented here is in effect a cross-section review of the major activities so that Association members may be kept advised as to what "the other fellow" elsewhere in the country is thinking and doing. When annual or semi-annual meetings are held, more extended reports will occasionally be published.

## A. W. A. Merchandise Division Inaugurates Semi-Monthly Bulletin

THE merchandise division of the American Warehousemen's Association on April 1 began publication of a twice-a-month *Bulletin*, which in time may be renamed *The Merchandise Warehouseman* and take the place of the division's magazine of that title. For the present, it is announced, *The Merchandise Warehouseman* will continue to appear quarterly, with the new *Bulletin* as a supplement designed to keep the members closely in touch with spontaneous developments. No. 1 of Vol. I of the *Bulletin* explains:

"It is not now contemplated that the *Bulletin* will take the place of *The Merchandise Warehouseman*, although that is a possibility, since much of the sort of material that we have been publishing in *The Merchandise Warehouseman* will henceforth appear in the *Bulletin*, thus being made available to readers when it is timely.

"In developing the plans that have brought about the *Bulletin*, the thought was that *The Merchandise Warehouseman* should appear quarterly and contain special and rather longer articles for which the *Bulletin* might not be adapted, these articles to deal with technical, legal, or other subjects relating to the merchandise warehousing industry that require more or less extended treatment. It is not inconceivable that such articles can be issued from time to time as supplements to, and in the same form as, the *Bulletin*, in which case there would be no need for *The Merchandise Warehouseman* as heretofore published, and its name could readily be given to this semi-monthly publication, which, in the absence of something better and for the time being we are designating the *Bulletin*."

The *Bulletin* will run from four to sixteen pages an issue. No. 1 contains twelve pages.

## 1931 Year Book

The *Bulletin* announces that the 1931 Year Book, constituting the proceedings of the American's fortieth annual convention, at Atlantic City in January,

was expected to be published about May 1. This is much earlier in the year than in the past.

## Hoover Ignores a Plea

The American's April 15th *Bulletin* discloses Elmer Erickson, Chicago, the American's general president, protested in vain to President Hoover against the bill (H. R. 7) which, enacted during the closing hours of Congress, amends the United States Warehouse Act, as explained in detail in Horace H. Herr's Washington correspondence published on pages 64 and 66 of the April issue of *Distribution and Warehousing*.

Mr. Erickson wired President Hoover on March 1, and word came from the White House four days later that the President had signed on March 2.

The telegram to the President from Mr. Hoover reads:

"Relative Bill H. R. Seven now before you for approval. American Warehousemen's Association, representing, as you know, over six hundred warehousing organizations throughout the country, has repeatedly sought opportunity to participate in committee conferences on hearings on this legislation and felt that it was assured the privilege of being heard by the Senate Committee on Agriculture and Forestry.

"We were informed today, however, that the Committee, after conferring with Department of Agriculture officials, proponents of this bill, had on Feb. 24 reported favorably on it to the Senate without giving opportunity to merchandise and cold storage warehousemen of the country personally to state their objections and rebut statements made by proponents. We have not had reasonable opportunity to participate in any conferences or hearing incident to the consideration of this bill in Congress.

"Last night while we were preparing to acquaint the Senate with our protest against the procedure used in the handling of this legislation we learned that the bill was passed by it. This accounts for the necessity in which we find ourselves of presenting the matter to you.

"We most earnestly protest against such ruthless ignoring of the rights of American citizens and business men to be heard with respect to this important

legislation, for which we believe there is no need and which is admittedly designed to nullify all State laws with respect to warehousing.

"We believe that such procedure cannot meet with your approval. We respectfully urge that you veto this bill at this time so that parties vitally interested may be personally heard if and when similar legislation is again introduced."

The March 5th reply from the White House was signed by Lawrence Ritchey, Secretary to the President, and reads:

"This will acknowledge receipt of your telegram of March 1, regarding H. R. 7, amending certain sections of the United States Warehouse Act. This bill was approved by the President on March 2."

## New Members

The following companies have been elected to membership in the American's merchandise division:

Billings Warehouse & Trading Co., Billings, Mont.

E. W. Conklin & Son Co., Binghamton, N. Y.

Northwestern Terminal Co., Minneapolis.

Sproles Transfer & Storage Co., Fort Worth, Tex.

Rudie Wilhelm Warehouse Co., Inc., Portland, Ore.

## Committees of New York FWA

J. H. Coughlin, president of the New York Furniture Warehousemen's Association, has appointed 1931 committees, the chairmen of which are Barrett C. Gilbert, Allied Van Lines; Charles R. Saul, arbitration; Thomas F. Murray, better business methods; H. J. Schlobin, cost and accounting; Rudolph C. Knipe, Jr., entertainment; Charles S. Morris, insurance; Mr. Murray, investigation; John G. Neeser, laws and legislation; Roswell Milligan, membership; Ernest H. Milligan, October leasing; C. M. Geiger, program; Herbert N. Bragg, sports; William H. Jackson, transportation; L. J. Etzel, uniform methods.



### Canadians Will Hold Eastern and Western Summer Conventions

DEFINITE announcement regarding the Canadian Storage and Transfermen's Association's 1931 summer convention plans were made on April 8 by E. A. Quigley, Vancouver, the secretary. In the April *Distribution and Warehousing* it was indicated that this year the Dominion organization might hold two regional meetings, one for the eastern executives and the other for the western members, instead of one general meeting at Winnipeg, as had been earlier planned, and Mr. Quigley's announcement confirms the new arrangement.

The eastern district meeting will be held at the King Edward Hotel in Toronto on June 19 and 20.

The western district meeting will be held at Jasper Park Lodge, Jasper National Park, Alberta, in the Canadian Rockies, on July 6 and 7.

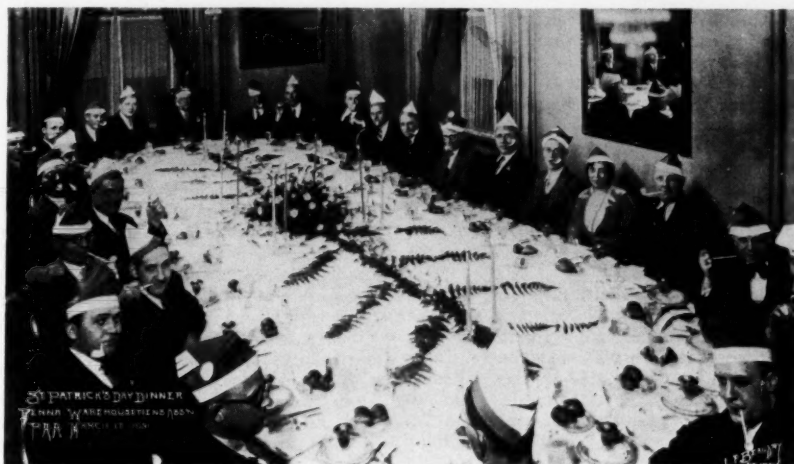
Arrangements for the eastern gathering are in the hands of C. A. Richardson and W. Pickard, Toronto, and Alexander Fleming, Montreal, and the program will be largely an "open forum" one, without "set papers" being read. Discussion is expected to be mainly about the Allied Van Lines, Limited, of Canada, recently organized by the Dominion association. The meeting will be attended by the association's president, George H. McKeag, Winnipeg.

President McKeag will attend also the western district assembly at Jasper Park, but has designated the vice-president, Elmer Johnston, Vancouver, as the presiding officer. The western meeting is expected to be an "open forum" session without formal papers.

A review of the Canadian association's activities during its nearly thirteen years of existence indicates its effort to make itself truly representative of the Dominion's storage industry, just as the American Warehousemen's Association and the National Furniture Warehousemen's Association have become recognized as representative of merchandise and household goods warehousing, respectively, in the United States. The Canadian association, with its members operating in all the provinces, has, indeed, used many A. W. A. and N. F. W. A. developments as patterns in an endeavor to intrench itself solidly in the Dominion's business life. As examples, the Canadian association is attempting to standardize a warehouse receipt, just as the A. W. A. did, while its recent formation of an Allied Van Lines corporation was a step in cooperation with the N. F. W. A. Constantly the Canadian body has sought the counsel and guidance of the storage industry in the United States, and leading officers of the A. W. A. and the N. F. W. A. have been accustomed to attend and address the Canadian association's annual conventions.

Following the recent depression, Canada soon will be embarked upon a greater period of prosperity, in the opinion of noted economists in the Do-

### Shamrock and Clay Pipe . . . Symbols of a Keenan Birthday



Scene at the St. Patrick's Day dinner given by the Pittsburgh Chapter of the Pennsylvania Furniture Warehousemen's Association at the Pittsburgh Athletic Club in honor of James F. Keenan, who has guided this local organization's destiny for the past fifteen years. Mr. Keenan, president of the Haugh & Keenan Storage & Transfer Co., Pittsburgh, and a past president of both the National Furniture Warehousemen's Association and the American Warehousemen's Association, was 70 years old on March 4. Shamrocks, green decorations and clay pipes were in evidence at the banquet. The evening's guest is seated in the center at the far end of the table.

minion, and the Canadian Storage and Transfermen's Association now has its "house in order" to reap benefits which should accrue to an established industry in an era of business progress. The country is young, it has everything that a country needs in the way of natural resources, it has a hardy people, and it has courageous, forceful and far-seeing industrial leaders.

Industrial development has always been one of the problems confronting the Dominion since the days of the first settlers, and always will be because, in the final analysis, the future of the country depends to a large extent on a successful and well-rounded industrial development. Canada has changed its character as a purely agricultural country and has become industrialized to a surprising extent, which will be intensified as its population grows and as it advances in importance as a world power in trade.

The year 1605 saw the beginning of industrial development in Canada. In that year the early settlers at Port Royal, Nova Scotia, erected a small flour mill in order to grind the grain which they had produced that summer. That small mill was the forerunner of the many big flour mills which today dot the country from coast to coast and which supply not only Canada, but constitute a world factor in the grain trade. In 1681 a census was taken and enumerated therein were such occupations as tailors, stonemasons, carpenters, shoemakers, gunsmiths, edge-tool makers, etc.

In those days it was the colonial policy of France to prevent the manufacture of any article in Canada which could be produced in France. This policy greatly retarded the development of New France, as Canada was then called, until the colonial wars. The foundation of the

Dominion's present textile industry was laid in 1705, when a convoy bringing cloth and other supplies from France was destroyed at sea. The colonists, thus thrown on their own resources, were compelled to manufacture rough cloth made out of Canadian nettle and out of the inner bark of the basswood, which were the only fibers they could obtain. This finally led to the introduction of sheep-raising and then to the manufacture of homespun woolsens. Similarly, in that period in other parts of New France manufacturing commenced in a small way. The iron deposits of the St. Maurice Valley, in Quebec, were worked as early as 1733, and a furnace for smelting the ores was established in 1737 in the area now known as the city of Three Rivers, Quebec.

The developments continued, however, only in a small way, as at this time the wants of each household were attended to by the members of the household themselves as a kind of subsidiary to their agricultural requirements. With the passing years and increasing population, early methods were improved and toward the end of the Eighteenth Century small workshops employing a few men grew up in the various small communities. These workshops supplied the wants of their immediate localities in a particular line of goods, as the conditions existing in those days restricted them to a very limited territory.

The main obstacle, however, to progress was the lack of transportation facilities. Such transportation as existed was entirely by water and was most primitive, and the cost was prohibitive. As a result, each community had to be self-sustaining as far as possible, and it was not until the development of steam transportation that the next step forward was taken.

The steam railway was introduced into Lower Canada in 1836, when a railway was constructed between St. Johns, Quebec, and Laprairie, Quebec, and from then on there was more rapid development. The country was quickly bidding farewell to the antiquated ideas relating to industry and was just as rapidly embarking on the first stage of the industrial changes which had commenced to spread over the world and which ultimately was to revolutionize industry completely, introducing, as it did, the machine age coupled with mass production.

During these years many syndicates were formed to build railways, and the enthusiasm of the people for this method of transportation was remarkable. Men of vision who promoted these syndicates saw that the future of Canada could not help but be great if transportation facilities were made accessible and cheap to both purchaser and consumer. They saw that the steam railway would open up distant markets to the manufacturers, who would be able to compete successfully with others.

In addition to developing industrially, Canada also was growing politically. In 1867 came the Federal system of government, and the Act that provided for this union (the British North America Act, 1867) was not only the foundation of Canada politically, but perhaps did more than anything else in aiding its industrial development as well. It may truly be called the foundation stone upon which modern Canada rests so securely today, growing each year in importance and at the same time solidifying its position.

As a result of confederation it became necessary to link up the Province of British Columbia, which became one of the provinces of the Dominion, with the eastern provinces. The idea of a railway extending from coast to coast was conceived, and out of this idea was born the Canadian Pacific Railway.

The construction of this railway opened up immense territories in the west for development; and, as these territories were populated, the needs of the people grew so that the eastern Provinces of Quebec and Ontario developed greatly in an industrial way as compared with the previous fifty years, in order to supply the need of a growing vigorous people in the West. The Canadian Pacific Railway was indeed the bond that made Canada a united nation, and to it much of Canada's astonishing development in the past half-century can be attributed.

The railway was responsible also for the development of the overseas trade of Canada in a large way, because the men in charge of the railway company realized that Canada, sparsely populated as it was, needed feeders to develop traffic. Consequently Canada was linked to Europe and Asia with a line of steamships which fed the railway with life-giving traffic, and in any impartial survey of Canada's industrial development due credit must be given to those men who foresaw the need of supple-

menting a transcontinental railway with an adequate steamship service to carry on the import and export trade which was bound to develop with proper encouragement, and without which no country could ever achieve industrial greatness.

Canada today is practically self-contained. Its resources are almost untouched. It still has millions of acres of land awaiting development and population. The Twentieth Century belongs to Canada, it has been said repeatedly, just as the previous century belonged to the United States of America. And so the people of Canada, as their knowledge of world conditions grow, enter into a greater realization of the marvelous heritage that is theirs.

It is in this business and industrial environment that the Canadian Storage and Transfermen's Association is functioning, in its thirteenth year, in an effort to give the Dominion's warehousing national recognition throughout Canada, just as the A. W. A. and the N. F. W. A. have made American warehousing nationally recognized in the United States.

### Southwest Four-State Association Assured Through Group Actions

WHEN members of the Oklahoma Transfer & Warehousemen's Association voted unanimously, at a meeting in Tulsa on April 15, to join a proposed Texas-Southwest Warehouse & Transfermen's Association, the final rivet was driven in the plan for a four-State regional organization with an anticipated membership of 200 firms.

In rapid succession the idea, emanating from the Texas Warehouse & Transfermen's Association, was approved—by Louisiana executives west of the Mississippi, at Alexandria on April 11; by the Arkansas Transfer & Warehousemen's Association, at Little Rock on April 13; and then by the Oklahoma group at Tulsa on the 15th.

Membership in a strong and active organization such as the Texas association has been for nearly fifteen years, is expected to be of far-reaching benefit to the many responsible warehouse and transfer companies scattered over Oklahoma, Arkansas and western Louisiana.

Oklahoma and Arkansas have State associations, aggressive principally when confronted by hostile legislation but more or less inactive otherwise, while there has been no State organization in Louisiana.

With the growing network of paved highways in the Southwest, tending to increase the radius and the volume of long-distance hauls, it has become generally apparent to warehouse and transfer men of Oklahoma, Louisiana and Arkansas, as well as of Texas, that much

could be accomplished by knitting all four States together into a single association fashioned after the one already existing in Texas.

One of the principal reasons pointed out at the Tulsa meeting by B. Frank Johnson, Fort Worth, secretary-manager of the Texas association, for the relative inactivity of the Oklahoma and Arkansas associations was the inability to get a sufficiently large number of concerns interested to support strong organizations.

Two years ago the proposal to merge the State associations was placed in the hands of an amalgamation committee as the result of action taken at the annual meeting of the Texas group at Houston. G. K. Weatherred, Dallas, was chairman of the committee to which the question was entrusted for study and recommendation. A report favorable to the proposition was received from the committee at the Texas association's annual meeting in February of this year and was adopted.

So another committee was appointed which consisted of the old amalgamation committee with the addition of R. A. Weicker of Oklahoma City, S. J. Beauchamp, Jr., of Little Rock, and Joseph Herrin, of Shreveport, to work out the details. The three State meetings in April resulted.

The next step now to be taken is the adoption of an amendment to the constitution and by-laws of the Texas association, changing the name to the Texas-Southwest Warehouse & Transfermen's Association and providing for three State vice-presidents in addition to present officers.

The Oklahoma and Arkansas associations will change their constitutions and by-laws to conform with those of Texas, and will amend their charters and begin immediately to function as parts of the Texas-Southwest association.

Final action by the Texas association ratifying the detailed plan is assured.

At the Tulsa meeting Robert A. Weicker, vice-president of the O. K. Transfer & Storage Co., Oklahoma City, was elected vice-president for Oklahoma, and applications for membership in the Texas-Southwest organization were signed by the O. K., the Muskogee Transfer & Storage Co. of Muskogee, the Ponca City Transfer & Storage Co. of Ponca City, and the following Tulsa firms—Page Furniture Storage Co., Joe Hodges Fireproof Warehouses, Federal Storage & Van Co., Tulsa Terminal Storage & Transfer Co. and Tulsa Transfer & Storage Co.

Attending the Tulsa meeting Secretary Jonson of the Texas association; Ford H. Hotz, Ponca City, president of the Oklahoma association; Robert A. Weicker, Oklahoma City; J. P. Porter, Muskogee; Charles Gossett, Stillwater; B. F. Wood, secretary of the Retail Furniture Buyers Association, Oklahoma City; and Edward Chastain, A. E. Kuhn, R. W. Elrod, R. W. Page, S. K. Davis, E. S. Addison and Nathan Dodson, all of Tulsa.

—Gus Fields.

When you ship goods to a fellow warehouseman—use the annual Warehouse Directory.



### Missouri W.A. Elects Hansen New President

E. M. Hansen, president of the Brown Transfer & Storage Co., St. Joseph, was chosen president of the Missouri Warehousemen's Association at the final session of the 1931 annual meeting, at the Hotel Chase in St. Louis on April 17-18. He had been vice-president of the household goods division and succeeds Frank M. Cole, Kansas City.

William C. Cassens, of the St. Louis Refrigerating & Cold Storage, St. Louis, was elected vice-president in charge of the cold storage division; William Lee, of the General Warehousing Co., St. Louis, vice-president of the household goods branch; and Roy Jones, of the United Warehouse Co., Kansas City, vice-president of the merchandise section.

A. E. Brooks, of the Southwest Warehouse Corp., Kansas City, was chosen secretary, succeeding George C. Dintelmman, St. Louis, who had served four years.

John F. Martin, president of the Joplin Transfer & Storage Co., Joplin, was elected treasurer.

Harry C. Herschman, president of the Terminal Warehouses of St. Joseph, Inc., St. Joseph, and Frank A. Tonnies, president of the Tonnies Transfer & Storage Co., Inc., Joplin, and Frank M. Cole, general manager of the Radial Warehouse Co., Kansas City, were chosen directors.

About sixty members and guests attended the meeting.

—Roy M. Edmonds.

### Annual of NT&MTOA

Announcement is made by Harry B. Rubey, Cincinnati, secretary of the National Team & Motor Truck Owners' Association, Inc., that the annual meeting will be held at the Chelsea Hotel in Atlantic City, N. J., on July 13 and 14.

### Bailey Reelected President of the Kansas Association

THE Kansas Warehouse & Transfermen's Association at its annual meeting, at Emporia on Feb. 21, elected officers and directors as follows:

President, J. L. Bailey, manager L. R. Bailey Transfer & Storage Co., Emporia. Household goods vice-president, Ralph Cody, Cody Transfer & Storage Co., Hutchinson.

Merchandise division vice-president, M. E. Cuykendall, manager Brokers Office & Warehouse Co., Wichita.

Secretary, Alva E. Smith, secretary Merchants Transfer & Warehouse Co., Inc., Wichita.

Treasurer, W. H. White, Topeka Transfer & Storage Co., Topeka.

Directors, H. T. Travis, manager Ark Warehouse Co., Arkansas City; L. J.

Canfield, owner Inter-State Transfer & Storage Co., Kansas City; U. O. Bryan, president Bryan-Southwest Transfer & Storage Co., Wichita; and E. W. Jones, United Warehouse Co., Wichita.

### Would Permit 5% Discount on Bills Paid in 10 Days

A COMMITTEE of the Pittsburgh Chapter of the Pennsylvania Furniture Warehousemen's Association presented at the Chapter's March meeting the following report:

"The committee agreed that a discount of five per cent (5%) be allowed on all storage accounts paid within ten days from date of billing. Discount to be allowed only on the current monthly bill. No discount to be allowed on long distance moving or other warehousemen's charges. This discount is not to be used as a sales talk in securing an order, but allowed to appear on the bill in regular manner. The committee recommends that the five per cent dis-

### Greeley—Jr. and Sr.



Alton H. Greeley, of Cleveland, chairman of board of American Chain of Warehouses, with his son Robert—at the Chain's Atlantic City convention in January.

count be accepted and be given a fair trial of at least a year."

The report resulted in much favorable and adverse discussion and it was finally voted that the committee continue its work and that the Chapter's members submit figures which would show what the losses in revenue might be should the Chapter finally adopt the report.

### Committees of Penn FWA

Walter E. Sweeting, Philadelphia, president of the Pennsylvania Furniture Warehousemen's Association, has an-

nounced the organization's standing committees for 1931. The chairmen are L. D. Howard, Uniontown, insurance; Buell G. Miller, Philadelphia, laws and legislative; Hugh G. Walsh, Pittsburgh, membership; John J. Hartey, Philadelphia, traffic; Mr. Hartey, meetings; Charles J. Fitzpatrick, Philadelphia, uniform methods; R. F. Post, Scranton, labor; Arthur C. Dell, Pittsburgh, cost and accounting.

### New "SoWA" Members

Announcement is made by Mrs. Lorena Welsh, Atlanta, executive secretary of the Southern Warehousemen's Association, that the following firms have been admitted to membership:

Smith Transfer & Storage Co., Meridian, Miss.

Southeastern Bonded Warehouses, Atlanta.

E. C. Lowry, Montgomery, Ala., the Southern's president, has notified the members that the association will not hold a spring meeting, a majority of the members having opposed the idea and more than half of the directors having voted against it.

Mr. Lowry has appointed 1931 committees, the chairman of which are:

Merchandise, Jay Weil, New Orleans, cost and accounting; Miss Aleen Weigel, Knoxville, insurance; R. B. Young, Savannah, rates; E. L. Hess, Birmingham, membership; E. T. Chadwell, Nashville, legislative.

Household goods, W. L. Inglis, Atlanta, cost and accounting; Carl F. Wittichen, Birmingham, insurance; E. J. Benton, Savannah, rates; E. M. Bond, Nashville, uniform methods and practices; Henry C. Goodman, Birmingham, membership; Fred A. Bryan, Chattanooga, legislative.

### Committees of Texas Assoc'n

O. E. Latimer, San Antonio, president of the Texas Warehouse & Transfermen's Association, has appointed new committees, the chairmen of which are as follows:

E. D. Balcom, Dallas, legislation; O. J. Laver, inter-city hauling; L. C. Abbott, Fort Worth, program; J. P. Tarry, Wichita Falls, entertainment; R. E. Abernathy, merchandise and rates; Dean Clark, business creation; G. K. Weathered, Dallas, insurance; K. K. Meisenbach, Dallas, advertising; Roy Binyon, Fort Worth, membership; Mr. Weathered, amalgamation.

### N. Y. State Meeting

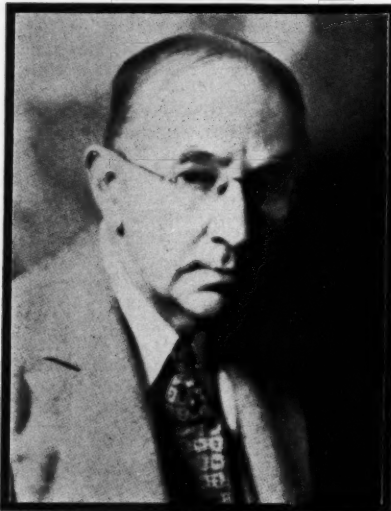
The summer assembly of the New York State Warehousemen's Association will be held at the Fort William Henry Hotel at Lake George on June 19-21 it is announced by the secretary, William T. Bostwick, New York City.



### Death Removes Edwin Morton, B. & O. Veteran

**EDWIN MORTON**, until recently treasurer, manager and operating executive of the Baltimore & Ohio Stores, Inc., New York City, and who was one of the veterans of the merchandise storage industry of the country, died of a brain hemorrhage on April 15 at the Laurel (Md.) Sanitarium, where he had been a patient for several months. He was 69 years old last Dec. 18.

Funeral services were held on April 17 at the Catonsville, Md., home of Norman C. Settle, treasurer of the McCormick Warehouse Co., Baltimore. The pall bearers included Mr. Settle, F. W. Berry, manager of the Baltimore & Ohio Warehouse Co., Cincinnati, and Irvin W. Mead, Mr. Morton's successor with the Baltimore & Ohio Stores in New York. In obedience to Mr. Morton's expressed wish, the body was cremated and the ashes were taken by Mr. Berry to Mr.



*Edwin Morton, veteran warehouseman, dead in 70th year*

Morton's sister-in-law, Mrs. John Morton, to be strewn on the family plot in Spring Grove Cemetery in that city.

A half-century of warehousing passed in review before Mr. Morton during his active participation in the industry, and he counted among his personal friends the late Albert M. Read, who was president of the Security Storage Co., Washington, D. C., and the late George S. Lovejoy of the Quincy Market Cold Storage & Warehouse Co., Boston.

Born in Cincinnati, Edwin Morton found employment at 18 with a large Cincinnati firm which had leased a building from a railroad for storage of grains. In 1904, when the Baltimore & Ohio Railroad completed a modern warehouse in Cincinnati, he became its manager, and he held that position for eleven years before being transferred to New York.

Mr. Morton never married.

### B. J. Bartlett

Bert J. Bartlett, president and manager of the Bartlett Transfer & Storage Co., Huntington, Ind., died on March 22 from the effects of influenza and pneumonia. He had been ill about two weeks.

One of the city's active and progressive business men and proprietor of the merchandise and household goods storage firm, established in 1901, bearing his name, Mr. Bartlett was born in Claremont, N. H., in June, 1869. He lived and worked on a farm until the age of 20, getting a public school education, and then removed to Columbia City, Ind., where he became interested in a lumber business, later organizing the Huntington lumber firm of Perrine & Bartlett. He disposed of this business six years later and turned to transferring and draying, and with one team and wagon on Feb. 4, 1901, he started the present Bartlett company. He was a member of the Motor Truck Association of Indiana.

Mr. Bartlett was one of the founders of the Huntington Chamber of Commerce and served on its board through many years. He was active in church affairs. In 1896 he married Frances Severance, who, and two children, two grandchildren and a brother, survive.

Frances S. Bartlett, executrix, has been granted a court order to operate the business.

### Taylor Stewart

Taylor Stewart, manager and operating executive of the Washington Storage Co., Inc., Miami Beach, Fla., died at a local hospital on April 10. He was a member of the National Furniture Warehousemen's Association and the Southern Warehousemen's Association.

Mr. Stewart had a throat operation last November and never recovered. He continued devoting attention to the business until March 1.

After being in business in Cleveland, Ohio, for thirty years Mr. Stewart removed to Miami Beach in 1927 to take charge of the Washington Company's warehouse.

### F. S. Landstreet

Fairfax Stuart Landstreet, chairman of the board of the New York Dock Company, died on Feb. 5. He had long been associated with the organization—as general manager from Feb. 1, 1909, until his elevation to directorship and the presidency on May 4, 1909, and as chairman of the board from the latter date until his death.

### William Stacey

William Stacey, son of Frank W. Stacey, secretary of the William Stacey Storage Co., Inc., Cincinnati, died on March 6 at his home. He had been suffering with heart trouble for about a year. He was 21 years old.

### Barry Mohun Passes; Was an Authority on Law of Warehousing

DISTRIBUTION AND WAREHOUSING'S  
Washington Bureau,  
1163 National Press Building.

**BARRY MOHUN**, for many years counsel in Washington for the American Warehousemen's Association, and who was an acknowledged authority on warehouse law, died suddenly in Emergency Hospital, this city, on April 16. He was stricken with a heart attack the day before his death and was removed to the hospital. He was 57 years old.

A native of Washington, Mr. Mohun was a member of the law firm of Mohun & Elliott and maintained offices in the Shoreham Building here. He was widely known in legal, fraternal and social circles in Washington.

Mr. Mohun had a wide acquaintance with warehousemen throughout the



*The late Barry Mohun, who was an authority on warehouse law*

country. He assisted in drafting uniform warehouse receipts law and was instrumental in having it adopted by twenty of the States. He was the author of "Mohun on Warehousemen," originally printed in 1904 and reprinted in 1913.

Son of Mrs. Martha V. Mohun and the late Francis B. Mohun, he attended Lehigh University and received degrees of bachelor and master of laws from Georgetown University. He was admitted to the bar in 1897, the same year in which he received his master's degree, and practiced law with a New York City firm until 1899. In 1909 he began law practice in this city and continued it actively until the time of his death.

Mr. Mohun was a member of the Legal Advisory Board in Washington during the World War. He also was a member of the Food Administration,

during that period. He was a member of the American Bar Association and an honorary member of the American Chamber of Commerce in France.

He long had been an active member of the Psi Upsilon Fraternity. His clubs were the Metropolitan, Chevy Chase, Alfalfa, Burning Tree and Lawyers', all of this city.

For many years Mr. Mohun interested himself in the development of boys and he was active in Boy Scout work. At the time of his death he was scout commissioner of the District of Columbia Council, Boy Scouts of America, an office he had held since 1924.

Funeral services were held at his residence, 2362 Massachusetts Avenue, on April 18. The Rev. U. G. B. Pierce, pastor of All Souls' Unitarian Church, officiated. Burial was private.

Among the honorary pallbearers were Clarence A. Aspinwall, president of the Security Storage Co., Col. Charles A. McKenney, T. Spaulding Flannery, Luke I. Wilson, George E. Elliott, George Hewitt Myers, George E. Hamilton, R. M. Kauffmann, Col. E. L. Mattice, Senator Wallace H. White of Maine, Capt. Chester Wells, Senator George H. Moses of New Hampshire, C. F. R. Ogilby, Nathan C. Wyeth, John E. Semmes and M. Stanley Brown.

Mr. Mohun is survived by his widow, Mrs. Nora Michener Mohun; his mother; a son, Barry Mohun, Jr., a student at the Choate School, Wallingford, Conn., of which Mr. Mohun was a trustee, and a daughter, Mrs. Robert B. Coburn, of Hartford, Conn.

—Stephens Rippey.

### M. W. Fay

Montford W. Fay, owner of the Fort Wayne Storage Co., Fort Wayne, Ind., died of heart trouble on April 2 after having been in a hospital for several weeks. He had been in failing health for the past few years, but continued his business activities.

A member of the merchandise division of the American Warehousemen's Association, of the National Furniture Warehousemen's Association and of the Motor Truck Association of Indiana, Mr. Fay was born in Cincinnati on May 12, 1860. About forty years ago he removed to Fort Wayne, where in 1892 he established his warehouse firm.

### D. F. Wheeler

D. Fairchild Wheeler, treasurer and a member of the board of directors of the Bridgeport Storage Warehouse Co., Bridgeport, Conn., died at sea on the steamship Paris on April 5.

Born in 1873 in Trumbull, Conn., Mr. Wheeler was graduated from Bridgeport High School in 1890 and began his business career, at a salary of \$2 a week, with a financial concern. At the time of his passing he was president of the Bridgeport Land & Title Co., a director of the Bridgeport General Hospital and a director of the Bridgeport-

City Trust Co. and belonged to a number of local clubs and fraternal organizations. He was a thirty-third degree Mason. During the World War he was assistant food administrator for Connecticut. He was a former member of the local Chamber of Commerce and was prominent in Democratic politics in Bridgeport.

Mr. Wheeler's death is the second recent one in the personnel of the Bridgeport company, Edward S. Willett, the vice-president, having succumbed on Feb. 14.

In succession to Mr. Willett, Davis S. Day has been named vice-president. Until the firm's annual meeting, in July, the office of treasurer will be filled by A. F. Gabriel, assistant secretary.

### Government Warns of Possible Taint of Eggs in Storage

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COLD storage warehousemen who handle eggs have been warned by the Department of Commerce that the utmost care should be used to prevent eggs from coming in contact with fruits or other commodities which emit an odor.

The Department said its attention had been called to a number of shipments of eggs which, exported recently to Great Britain, were found to have become tainted because they were stored too near shipments of fruit.

The Department of Agriculture was called into consultation and investigation revealed a number of instances of tainting of eggs in storage in this country.

In some refrigerating houses the result was noted where the eggs were in rooms separate from those of the other commodities, but in which the same air circulated. The odor of citrus fruits and apples had been found to penetrate the shell and was taken up by the yolk.

Eggs with the unusual odor are not actually spoiled, it was said, but create suspicions in the minds of purchasers because they have a smell and taste unlike fresh eggs.

Meanwhile the Department of Agriculture announces that it has discovered how to seal up the pores in the shell of an egg so that the latter will retain much of its fresh quality when in cold storage.

In recent investigations the food research division of the Bureau of Chemistry and Soils found that fresh eggs dipped in oil and subjected to carbondioxide gas in a vacuum will retain practically all of their original moisture and carbon dioxide. Impairment of quality generally results when these two constituents are lost.

T. L. Swenson, bacteriologist, who devised the new process, dips the eggs in oil in an air-tight chamber, then pumps out some of the air to create a partial vacuum. Some air escapes from the

eggs also. Mr. Swenson then turns carbon dioxide into the vessel.

Th eggs, once more surrounded by gases of normal pressure, draw some of the oil into the pores of the shell to form a complete seal. Carbon dioxide probably is carried in with the oil, which accounts for the marked improvement in quality which follows its use.

Some western egg handlers recently have been treating large numbers of eggs for storage by dipping them in oil in open vessels. In comparative tests, Mr. Swenson found that vacuum-dipped and carbonated eggs lost only one-tenth of 1 per cent of weight during 10 months in storage, while the open-dipped eggs lost sixteen times as much. Untreated eggs lost nearly seventy-seven times as much weight as the vacuum-treated eggs. This loss is moisture and carbon dioxide chiefly.

When the eggs were taken out of storage an expert grader classed them on the basis of standard market grades. None of the unoiled eggs were good enough for the two top classes and only 30 per cent of the open-dipped eggs were so classed. But 46 per cent of the vacuum-oiled eggs came within these special and extra grades.

Colorless, odorless, and tasteless mineral oil, which in no way impairs the egg's quality, is used in the process. The appearance of the vacuum-dipped egg when opened after 10 months in storage compares favorably with that of a 2-day-old egg.

### Milwaukee Merger

Sullivan's Delivery, a merchandise and household goods warehouse company in Milwaukee, and the Royal Transfer Co. of that city, were merged on April 1 under the name Sullivan-Royal Transfer Co. P. J. Sullivan, president of the firm bearing his name, continues as president. R. V. Ahrens, of the Royal, is vice-president, and Walter Maile, of the Royal, is treasurer. H. L. Urban, vice-president, treasurer and operating executive of the old Sullivan organization, is secretary of the Sullivan-Royal, which is a \$150,000 corporation.

The Royal brought to the new firm 78 motor trucks, giving the new organization a fleet of more than 100 motor vehicles, making the Sullivan-Royal one of the largest operating firms in the Northwest. A new garage will be erected to house the fleet.

### Knowles Removes

The Knowles Storage & Moving Co., Omaha, established itself in a new location—Ninth and Farnam Streets—on April 1. The structure provides increased space for storage of furniture, household goods and merchandise and is equipped with trackage and truck depot facilities for prompt distribution of merchandise. The former address was Seventeenth and Webster Streets.



### Ashburn's 1930 Report Is Silent Regarding "Free Storage" Case

DISTRIBUTION AND WAREHOUSING'S  
Washington Bureau,  
1163 National Press Building.

THE 1930 annual report of Major General T. Q. Ashburn on operation of the Inland Waterways Corporation, just submitted to the Secretary of War, is entirely silent on the question of operation of storage warehouses by the corporation and about the American Warehousemen's Association's complaint before the Interstate Commerce Commission.

The report deals at great length with the subject of rail-water rates and uses vigorous language to denounce the fight of the railroads against the Barge Lines. All in all, the report is an argument by General Ashburn as to the desirability of a continued operation of the Barge Lines and a defense of his administration of the Inland Waterways Corporation.

While neglecting to mention the subject of storage warehousing, General Ashburn does discuss quite freely the question of terminal facilities and the need for additional facilities if municipalities along the waterways are to receive the full benefit of the lower Barge Line freight rates. This discussion carefully avoids even a mention of the word "storage," but it seems reasonable to assume that "terminal facilities" would naturally include storage.

There is no doubt that General Ashburn is interested in the establishment of adequate terminal facilities and he points out that the Inland Waterways Corporation, under the law, is charged with the duty of consulting with cities concerning the location of their terminals and their proper construction. His report further says, on the subject of terminal facilities:

"The following considerations govern us in our negotiations with cities regarding the location of terminals, and incidentally it is the Inland Waterways Corporation that is charged under the law with these negotiations with cities as to the proper location of terminal sites, not the engineers of the army. These latter are, however, charged with sole authority to issue permits for construction extending into our navigable streams, and it is our duty, before recommending a site for a city, to see if permit for such site will be issued.

"The Corporation is interested only in a location of an interchange where it can serve the public, both city and interior, at reasonable rates, and not destroy the value of its differential, so that there must be only one terminal for any locality unless terminals on opposite sides of a river obviate bridge transfer charges.

"It expects the cities to build their own terminals, and to compensate themselves by reasonable charges for handling freight thereon.

"Its experience does not lead it to believe that local terminals can be amortized by reasonable charges, and does not lead it to believe that freight originating or destined for a single port will flow in sufficient volume to justify the Barge Line's operations.

"It cannot properly perform its function unless its terminals are interchanged, allowing freight to move via its lines to and from the interior.

"It must have a single handling from car to barge or vice versa, and it must allow of the simultaneous loading or unloading of various barge compartments.

"It must be a combined package and bulk terminal with escalators and gantry cranes. It must have an area of suitable size and shape for immediate purposes and subsequent development.

"There must be good navigating conditions in front of, above, and below the site and free from bridges.

"There must be direct access to as many of the railroads of the area as may be economically available.

"There must be good vehicular access for the local area to be served.

"The selection of a site that deliberately accepts the obligation of the assumption of intermediate switching charges permanently accepts another item of operating costs, and limits the differential which can be offered by the Barge Line.

"Sometimes the condition 'there must be good navigating conditions in front of, above and below the site and freedom from bridges' cannot be ideally attained unless other more important conditions, such as obviation of intermediate switching, etc., must be abandoned. In such cases the engineering department cooperates as fully as possible in creating the best navigable conditions.

"All terminals today are built by the cities interested, at their own expense, and always motor-water interchange is borne in mind, equally with rail-water interchange.

"We generally take over the operation and maintenance of these terminals, paying the city 15 cents per ton for every ton of freight handled through the terminal, until this revenue becomes sufficiently great to amortize the investment, when a straight year-to-year contract is made, as at Memphis (where we pay annually \$72,000), sufficient to cover taxes, depreciation and all other charges.

"This requirement on the part of the cities to construct their own terminals has a double objective. It is, *prima facie*, an evidence of good faith, and a keen desire on the part of the community to utilize river facilities, and it interests the local terminal officials in the increase of freight passing through or over the terminal, as the more freight the more revenue. It creates a solidarity of interest.

"It is most gratifying to report that, with one single instance, each city which has been urged to build a terminal has

(Concluded on page 66)

### Savannah Sugar Corp. Assails Barge Lines' Differential in Rates

(Concluded from page 13)

including ourselves, are compelled to pay for storage. We have referred to the amount of this charge merely as a collateral proof of a violation of Section 3, and to show that the storage service is actually free with no charge properly covering it under the requirements of Section 6 of the Act. The charge as published is inadequate compensation; in fact, it is admitted that it is not intended to cover storage or any return whatever, but merely to cover part of the labor out-of-pocket cost only. We are not in this case asking to have said transit charge increased or changed. We simply contend that with this nominal stopping charge, and the other commercial advantages accruing from this transit privilege, there is no necessity whatever for the application of the 80 per cent rates upon sugar stored in transit."

### Grain Storage Liability

Responsibility for depreciation which may occur in grain stored in all public warehouses and grain elevators in Illinois was transferred on March 27 from the farmer and buyer of grain to the warehouse companies.

This action followed approval, by the Illinois Commerce Commission, of a rule passed in February by the Chicago Board of Trade relative to regulation of all public grain warehouses in the State.

Under the new ruling, the warehouse is required to notify the owner of the grain immediately upon its depreciation. The owner then has two alternatives. He either can take cash for his grain at the existing market price for grain in first class condition or at a price to be fixed by an appointed committee or he can take a like quantity of grain of first class quality.

The board to fix prices when a dispute may occur will consist of five disinterested cash grain men to be appointed by the president of the Board of Trade.

### Hollywood Firm's Boom

The Hollywood Fireproof Storage Co., Hollywood, Cal., reports more calls for leasehold during the past six months than ever before in the firm's activities. This is attributed to civic improvements and developments, including the completion of a \$6,000,000 five-finger street plan and the establishment of Hollywood branches of Los Angeles department stores.

The company reports that approximately 70 per cent of its merchandise storage space is now leased. The Mag-negraph Corporation, a new enterprise in California, recently contracted for 12,000 feet of floor space as a distribution, storage and office center.



### New York Dock's 1930 Net Income Totalled \$738,572

THE New York Dock Company's annual report for 1930, made to the directors this past April 11 by the president, Grigori Benenson, shows that the organization received a larger net revenue than in 1929, but that the net income was smaller.

Net income for 1930 was \$738,572.42, a decrease of \$68,655.28 from the 1929 figure, \$807,227.70.

The year's operations resulted in gross revenues of \$4,184,319.11, an increase of \$229,849.38 over the preceding year, while the total expenses for 1930 decreased \$122,568.40 as compared with 1929. The resultant net revenue was \$352,417.38 more than for 1929.

The figures include those for the Trade Facilities Corporation and the Trade Facilities Building, subsidiaries.

"Lessened demand for storage warehouse services, occasioned by conditions existing in the various commodities markets," the report says, "was the cause of the decrease of \$139,890.28 in revenues derived from the operation of your storage warehouse department."

The warehouse department figures show an income of \$1,209,824.34 in 1930 as compared with \$1,349,714.62 in 1929.

The surplus on Dec. 31, 1930, was \$4,407,436.22.

A 2½ per cent dividend on the preferred stock was paid last July 15 and a 2½ per cent dividend, also on the preferred, on Jan. 15 of this year.

The New York Dock Company owns and operates the largest bonded and free warehouse system in the Western Hemisphere, as well as the largest pier system in the United States. The 105 warehouses have a total floor space of approximately 3,700,000 square feet, and there are 34 piers and 68 manufacturing buildings, together with direct railroad sidings and lighterage facilities.

### A. C. Weicker Has His 70th Birthday

A. C. Weicker, president of the O. K. Transfer & Storage Co., Oklahoma City, celebrated his seventieth birthday on March 7 with a dinner party which, held at the Oklahoma Club, was attended by his family and business associates.

Mr. Weicker went into the transfer business as a youngster, at Guthrie, and removed in 1899 to Oklahoma City, where he purchased two small transfer companies then in operation. From this humble beginning he developed his present merchandise and household goods storage business.

### Leicht Company Get a Court Injunction

The Leicht Transfer & Storage Co., Green Bay, Wis., recently obtained a temporary injunction restraining Mayor

Murray and Chief of Police Schultz of Marinette, Wis., from interfering with the firm's trucking operations. A hearing schedule for April 4 was deferred indefinitely.

The Marinette authorities arrested and fined several Leicht drivers under a little known State provision requiring common carriers to obtain permission from cities before operating trucks through municipalities. The Leicht company contends it is not a common carrier on its trips to Marinette but does the work under private contract.

### Johnson Terminal Organizes Motor Freight Company

PLANS to make the Mead Johnson Terminal Corporation's recently opened \$500,000 river-rail warehouse and terminal in Evansville, Ind., the hub of a motor freight activity in southern Indiana and Illinois and western Kentucky are embodied in articles of incorporation filed by the Mead Johnson Truck Lines, Inc., capitalized at \$25,000.

The new subsidiary will be housed in the terminal and will operate in a region with a fifty-mile radius.

The incorporators include three trucking organizations already functioning—the Kern Motor Co. and the Reising Transfer Co., both of Evansville, and the Pearce & Childress Co., Henderson, Ky.

### New Orleans Firm's Net Profit Totalled \$60,169 During 1930

A COMPARATIVE statement of the New Orleans Cold Storage & Warehouse Co., Ltd., published by the New Orleans Stock Exchange, shows decrease, in assets of the company, of \$10,386.78 for the year ended Feb. 28, 1931. Notes receivable secured decreased from \$80,415.20 to \$65,829.51. Accrued interest on municipal bonds totaled \$1,780.40. Accounts receivable were slightly lower at \$27,111.09. Plant and equipment less depreciation was down from \$650,453.95 to \$619,226.19, while depreciation reserve was increased from \$235,064.11 to \$271,427.51.

Net profit during the year amounted to \$60,169.16, compared with \$87,815.60 in 1929. Earnings per share on 4838 shares were \$12.43, compared with \$17.61 on 4985 shares the year before. Dividends paid totaled \$49,082.50, against \$49,850 in 1929. Book value of the stock was placed at \$127.98, against \$124.94 in 1929.

### Brugh to Atlanta

John H. Brugh, secretary and manager of the United Warehouse Co., Wichita, Kan., has joined the organization of the Monroe Bonded Warehouses, Atlanta. He had been with the United about seventeen years.

### Bekins Expansion Continues on the Pacific Coast



CONSTRUCTION will start soon on an addition to the central warehousing plant of the Bekins Van & Storage Co. at Fourth and Alameda Streets, Los Angeles, giving the firm a five-story building 310 feet long with rail trackage ample for unloading six cars at a time. The location is in the heart of the close-in industrial section, near freight stations and wholesale district. It is the original site of the first Bekins warehouse in Los Angeles, purchased in 1896; at that time the property was a walnut orchard and was considered as "far out." Later a one-story brick structure was

erected, and more recently the five-story warehouse and shops, now to be completed by the final unit to be erected.

The building is a concentration station, loading and unloading rail cars, serving the various Bekins storage plants in Los Angeles, Hollywood, Beverly Hills, Pasadena and Glendale. This feature tends to save many handlings of merchandise to and from out-of-town points, working an economy for customers. Lift vans are loaded in rail cars here, and in certain cases loaded in mixed cars with crated furniture, this now being permitted under the tariff.

### Ashburn's 1930 Report Is Silent Regarding "Free Storage" Case

(Concluded from page 64)

done so; and in many cases keen rivalry amongst neighboring cities has been created by a mutual desire to have the terminal located in their city.

"Roughly speaking, our present operations are comparable to through trans-continental freight trains, which stop only at large and important cities. The absorption of transfer costs limits present operations to stations where there are good rail interchange connections, and this results in the question frequently being asked, 'Are smaller river towns failing to get the benefit of their location?'

"They are not failing to get the benefit of water transportation, but they are failing to get the full benefit of their location.

"Joint rates exist at all such towns, whereby their freight may be sent or received, by rail from the nearest rail-water interchange point and from that point they receive the same savings in cents per hundred pounds as the interior shippers receive when joint rail-water routes are used.

"Local service on the river to supplement our through service will be necessary before such smaller cities would get the maximum advantage of their location.

"To illustrate this, the rail-water rate on cotton from Greenville, Greenwood and Clarksdale, Miss., to New Orleans, via Vicksburg, is 68 cents per 100 pounds, while the all-rail rate is 77.5 cents per hundred, or a saving of 9.5 cents per hundred, or \$1.90 per ton.

"If there were a water terminal at Greenville, our rates on compressed cotton would be 47.5 cents per hundred-weight, and on uncompressed cotton the rate would be 62 cents per hundred-weight.

"If a terminal were built at Greenville, say at a cost of \$100,000, the problem would be for the city to have enough freight move across the terminal to pay the interest on the investment, depreciation, sinking fund for retirement of bonds, etc. Concretely, each such small city on the banks of the waterways now under utilization by our Barge Lines must, considering the savings which already accrue to it through joint rail-water rates, determine whether the additional savings accruing through an all-water movement is sufficient justification for the city to expend the amount necessary to create an interchange terminal."

Under a heading reading "How to Get the Government Out of Business," General Ashburn says the answer to the charge that the Inland Waterways Corporation should cease to exist lies in the law itself, "which prescribes when and how it may get out of business."

"A reasonable compliance with this law will certainly expedite getting the Government out of business," he con-

tinues, "and if the opponents of waterways feel that the operation of our Federal Barge Lines is a menace to rail prosperity, we call upon them to advise the railway executives to comply willingly and sympathetically with the law, and help us all attain quickly what we desire, the retirement of the Government from the transportation business."

"Demand from them that they comply with the spirit and intent of the law known as the Denison Act, to cooperate with the waterways to their own advantage, and not, through technicalities, try to turn a law designed to increase and expand our water carriers and rail carriers, though cooperation, into a weapon to destroy what the people have willed should exist, a great coordinated, cooperative, rail, water, motor transport system."

### Position Wanted

**BY** warehouseman experienced in merchandise and household goods storage and pool car distribution; crating and packing furniture, china and household goods.

Nineteen years with one storage company.

Can give best reference.

Address Box H-263, care of *Distribution and Warehousing*, 249 West 39th Street, New York City.

### New Britain Firm Expands

Capital stock of the Hardware City Storage Co., New Britain, Conn., has been increased from \$50,000 to \$150,000 in connection with a program of expansion planned, according to E. W. Schultz, treasurer. The firm has taken over a site at 12 Woodland Street, on the Highland Division of the New Haven Railroad, as well as buildings at 401 West Main Street, bringing to five its number of storehouses.

The company is now engaged in developing a unified mothproofing, fumigation and rug-cleaning service, which will be centered for the present at the West Main Street site. E. J. Struck, formerly connected with the Thomas J. Stewart Company, New York, has been placed in charge of the rug-cleaning department.

Plans are now being considered for a new main warehouse building, but this will not be started until next year, according to Mr. Schultz.

### Slee Appointed

Announcement is made by A. D. Davis, New York, vice-president of the Judson Freight Forwarding Co., that Preston A. Slee has been appointed, effective April 1, manager of the organization's household goods and automobile department of the New York territory.

### Murray Reelected "D and W" President

**A**T the annual meeting of the directors of Distribution and Warehousing Publications, Inc., New York, on April 14, officers were reelected as follows:

President, Andrew K. Murray, business manager of *Distribution and Warehousing*.

Vice-president, Kent B. Stiles, editor. Secretary, Harry S. Webster, Jr., assistant business manager.

Treasurer, E. P. Beebe, assistant treasurer of the Iron Age Publishing Co.

Assistant secretary and assistant treasurer, Margaret M. Goldschmidt.

The stockholders met earlier and elected as directors Mr. Murray, Mr. Stiles, Mr. Webster and Mr. Beebe; A. C. Pearson, chairman of the board of the United Business Publishers; Fritz J. Frank, president of the United Business Publishers, and C. A. Musselman, president of the Chilton Class Journal Co.

### Bender Joins Empire as V. P.

Fred C. Bender, formerly with the Trans-Continental Freight Co., has been appointed vice-president of the Empire Freight Co., Inc., Chicago. He had been with the Trans-Continental twenty-three years, lately in charge of the automobile department.

The Empire, established in 1927, is composed principally of veterans of the Judson Freight Forwarding Co. C. A. Anderson, of the Empire's Boston office, served with Judson thirty years; William L. Orton, Boston office, fourteen years; A. F. Carbone, New York office, five years; F. R. Sartain, New York office, five years; E. C. Jones, Los Angeles office, nineteen years; William Williamson, Los Angeles office, twelve years; William Vilsoet, Chicago office, nineteen years, and Otto G. Carlson, Chicago office, five years.

### New L. A. Firm

The Checkers & Handlers Co., Ltd., warehousemen, has been incorporated in Los Angeles, capitalized for 2000 shares. The incorporators are P. W. Benton, J. Gilbert Fall and Agnes H. Berges.

### E. B. Gould Tells the Ladies About Storage

April 1 was "warehouse night" for the Women's Traffic Club in Los Angeles, and the speaker of the evening was E. B. Gould, San Diego, president of the Lyon Van & Storage Co., Inc., and a past president of the National Furniture Warehousemen's Association. Mr. Gould discussed "Warehousing and Its Side Lines."

Mrs. Carrie Hellyer of the Lyon company was chairman of the meeting.

### Arizona Amends Its Statute Relating to Warehouse Receipts

THE Arizona State Legislature has enacted a bill, which Governor Hunt has signed, the law to become effective on June 12, which is along the line of the uniform warehouse receipts Act, which is on the statute books of forty-four of the other States.

The measure was introduced by State Representative J. R. Barnette, of Maricopa, at the request of an attorney whose clientele includes warehouse companies and banks issuing and loaning on receipts.

The Arizona law relating to warehouse receipts is amended by the measure, House Bill No. 68, and certain paragraphs of the Revised Code of Arizona of 1928 are repealed.

Under the revision Paragraph 3243 of the Code is amended to read as follows:

"Liability for Non-Existence or Misdescription of Goods: A warehouseman shall be liable to the holder of a receipt, issued by him or on his behalf by an agent or employee, the scope of whose actual or apparent authority includes the issuing of warehouse receipts, for damages caused by the non-existence of the goods or by the failure of the goods to correspond with the description thereof in the receipt at the time of its issuance. If, however, the goods are described in a receipt merely by a statement of marks or labels upon them, or upon packages containing them, or by a statement that the goods are said to be goods of a certain kind, or that the packages containing the goods are said to contain goods of a certain kind, or by words of like purport, such statements, if true, shall not make liable the warehouseman issuing the receipts, although the goods are not of the kind which the marks or labels upon them indicate, or of the kind they were said to be by the depositor."

Paragraph 3258 of the Code is amended to read:

"Transfer or Negotiation of Receipts: A receipt which is not in such form that it can be negotiated by delivery may be transferred by the holder and by delivery to a purchaser or donee. A non-negotiable receipt cannot be negotiated, and the indorsement of such a receipt gives the transferee no additional right. A negotiable receipt may be negotiated by any person in possession of the same, however such possession may have been acquired, if, by the terms of the receipt, the warehouseman undertakes to deliver the goods to the order of such person, or if at the time of negotiation the receipt is in such form that it may be negotiated by delivery."

Paragraph 3265 of the Code is amended to read as follows:

"Negotiations Not Impaired by Fraud, Mistake or Duress: The validity of the negotiation of a receipt is not impaired by the fact that such negotiation was a breach of duty on the part of the person making the negotiation, or by the fact that the owner of the receipt was de-

prived of the possession of the same by loss, theft, fraud, accident, mistake, duress or conversion, if the person to whom the receipt was subsequently negotiated, paid value therefor, in good faith, without notice of the breach of duty, or loss, theft, fraud, accident, mistake, duress or conversion."

The new law provides that "all Acts or parts of Acts in conflict with" the new Act "are hereby repealed."

### Connecticut Refuses Warehousemen a Law Giving Lien Priority

CONNECTICUT'S proposed prior lien law, urged by the Connecticut Warehousemen's Association, has gone by the board for another two years. The judiciary committee of the Legislature, after a hearing at which a number of warehousemen backed the measure, and at which no opposition appeared, turned in an unfavorable recommendation, and both Senate and House rejected the bill.

Inquiry has shown that the reason that produced the unfavorable report was that the majority of the committee was of the opinion that the matter of protecting warehousemen's charges would be better handled through an amendment to the uniform warehouse receipts Act, according to W. R. Palmer, secretary of the Connecticut association.

There was an aye and no vote in both houses of the Legislature, and it is reported that all of the Democrats in both branches voted for the bill, and that all of the Republicans voted against it. The Republican party has majorities in both branches.

### Swormstedt Expansion

Leroy Swormstedt, owner of the Swormstedt Storage & Van Co., Columbus, Ohio, has taken a long term lease on the four-story warehouse at 402 Mount Vernon Avenue. The building adds 20,000 square feet to the firm's storage capacity. The structure will be remodeled to provide attractive display space.

George Blackwell has been placed in charge as manager.

### N. Y. Warehousemen Aid Salvation Army

S. C. Blackiston, vice-president of the Bush Terminal Co., who for the past ten years has served annually as chairman of the terminals and warehouse group in the Salvation Army maintenance campaign, has accepted the leadership of this group for 1931.

Walter W. Weekes, secretary of Hargan's Storage Warehouses, Inc., Brooklyn, has been made chairman of the Brooklyn warehouse division.

The Salvation Army Drive was run from May 18 to June 1, with \$528,000 as the goal.

### Erie Railroad Indicted for Alleged Failure to Collect Storage Charges

DISTRIBUTION AND WAREHOUSING'S  
Washington Bureau,  
1163 National Press Building.

WORKING steadily to break up the practice of some railroads which accord free storage to preferred patrons, the Bureau of Inquiry of the Interstate Commerce Commission has succeeded in obtaining indictments from a Federal grand jury at Newark, N. J., against the Erie Railroad Company and Frederick W. Huber, Inc., of Brooklyn, N. Y., dealers in flour.

The indictments charge the Erie with failure to collect storage charges on a number of carloads of flour shipped from points in New York to the Huber firm at the Brooklyn Eastern District Terminal.

The storage charges, aggregating \$4,822, accrued at an Erie Railroad pier at Weehawken, from March 1, 1928, to Jan. 1, 1931, according to the indictments.

There are twenty-five separate counts in the indictment against the railroad and ten counts in the Huber indictment, each covering a separate carload of flour.

The specific tariff provisions under which the indictments were brought applied on shipments consigned to the Brooklyn Eastern District Terminal and permitted a stop at Weehawken. A two-day period of free time was allowed at Weehawken, after which storage charges would commence.

The indictments state that the flour from all the cars involved was placed in storage after the expiration of free time. The time of the alleged free storage varied from 40 to 346 days.

The indictments against the Erie charge that it "unlawfully and knowingly did offer, grant and give a concession and discrimination in respect to the transportation of property in interstate commerce whereby said property was transported at a less rate and charge than that named in the tariffs of said defendant and said other common carriers, filed and established as aforesaid; that is to say, said defendant unlawfully and knowingly did refrain from demanding and collecting said storage charge of [the amount involved in each shipment] or any part thereof, from said consignee or from any other person or corporation; contrary to the form of the statute in such case made and provided, and against the peace and dignity of the United States."

—Stephens Rippey.

### Tractor Catalog

"McCormick-Deering Industrial Tractors and Operating Equipment" is the title of a profusely illustrated catalog recently issued by the International Harvester Company, Chicago. All types of the organization's cabs, bumpers, trucks, cranes, bodies, winches, hoists, cars, trailers, tractors, etc., are pictured and described.



### Texas Warehouse Chief Explains Functioning of Storage Industry

A RECENT news release by the Warehouse Department of Texas is of interest to the storage industry. It reads:

"The possibility of the smaller retail merchant using a bonded and State-regulated warehouse in the fight to retain his independence was pointed out today by L. L. Shackelford, warehouse division chief in the State Department of Agriculture.

"Use of the bonded warehouse, Mr. Shackelford said, would add to the small merchant's purchasing power, because his receipt from a bonded warehouse is negotiable. He could buy in larger quantities, thus effecting saving; store the surplus merchandise in a warehouse and use his receipt as a negotiable instrument.

"The small merchant soon will be put entirely out of business unless in some way he can buy his merchandise on a basis to compete with the merchant able to buy in large quantities.

"The bonded warehouse offers one solution. The merchant, especially in the smaller towns, can buy his goods in carlots when he thinks the price is right, place the merchandise in a bonded warehouse and get a negotiable receipt. This he may take to his bank and borrow money when he hasn't sufficient capital to pay for the merchandise, and withdraw from time to time as his needs may require, paying the bank for the goods used.

"The warehouseman, of course, holds the merchandise subject to the receipt; and in all cases will be glad to cooperate with the merchant and banker by allowing merchandise to go out on order from the banker or person holding the receipt. In this manner the merchant is helped, the banker protected, and the warehouse is the instrument through which this operation is made feasible and practical.

"There are about 700 bonded warehouses in the State and more are being added to the list every day."

### Sniffin-Plumpton

Philip L. Sniffin, of White Plains, N. Y., who conducts the Motor Freight Department each month in *Distribution and Warehousing*, and Dorothy Plumpton, daughter of Mr. and Mrs. Alfred Plumpton, were married at White Plains on April 11. Their home is at 7 Ridgeland Terrace, Rye, N. Y.

### Indiana Body Is Reorganized

The Motor Carriers Association of Indiana, organized originally with only bus owners in its membership, has filed new articles of incorporation so as to include motor truck common carrier operators.

Reorganization was decided on as the result of the recent enactment, by the Indiana Legislature, of a bill which places under the supervision of the State's Public Service Commission all motor vehicle common carriers.

### Ontario Firms Remove

The Hickey Warehouse Co. and the Ontario City Transfer Co., Ontario, Cal., have removed their main office from East Main Street to 315 North Euclid Avenue.

The Hickey firm has erected a new concrete building to provide additional space for storage.

### Reber Is Appointed Texas Representative

**DISTRIBUTION AND WAREHOUSING** has opened a business and editorial office at 301 Book Building, San Antonio, and has appointed B. C. Reber as its Texas representative.

Mr. Reber has for several years been an editorial correspondent in San Antonio and is widely known among the Lone Star State warehouse executives.

### Hoffman Incorporates

Walter W. Hoffman, proprietor of the Hoffman Express & Storage Warehouse, Ridgewood, N. J., has incorporated the firm of Walter W. Hoffman, Inc., a storage warehouse business, with a capitalization of \$50,000.

### Racketeers Against Warehouse Firm Are Sent to Penitentiary

DISTRIBUTION AND WAREHOUSING'S Washington Bureau, 1163 National Press Building.

MR. and Mrs. Herman C. Hagner, of Scranton, Pa., and Camden, N. J., said to be the operators of a new "racket," were sentenced to serve five years in the penitentiary after being found guilty on 16 charges of using the mails to defraud, and getting more than \$30,000 from the Merchants Storage & Transfer Co., in this city.

The couple, who ran automobile parts shops in Scranton and Camden, are alleged to have obtained the money by falsely representing to the Merchants company that customers' bills which they sent to the warehouse firm were genuine. The Merchants then advanced 75 per cent of the bills to the Hagners, receiving a small discount in advance.

Formally, the Hagners were sentenced to serve five years on each of the sixteen counts, although the sentences are to run concurrently.

—Robert C. McClellan.

### I. C. C. Examiner Urges Dismissal of Warehouse Lumber Wharfage Case

IN the case (I. C. C. Docket 23682) of the American Warehousemen's Association against the St. Louis-San Francisco Railway and others, alleging that carriers' charges at Mobile, Gulfport and Pensacola, on lumber and other forest products, for wharfage, were unjust and unreasonable, in that they were unremunerative and discriminatory, Examiner John McChord has proposed to the Interstate Commerce Commission that the charges be dismissed.

Examiner McChord in his proposed report links with the warehouse industry's complaint the case (Docket 23699) of the Alabama State Docks Commission against the Gulf & Ship Island, and also the wharfage charges of the Mobile & Ohio on lumber and other forest products at Mobile, declaring that all these cases presented similar issues in the main, and pointing out that they were by agreement all heard together.

The wharfage charges, the Examiner holds, are not unreasonable now or unremunerative and are not unjustly discriminatory or otherwise unlawful.

### General Motors Surveys Moving as an Industry

(Concluded from page 57)

parts of the country, there was a marked tendency everywhere toward small lots, the survey reveals. Loads up to 6 pieces and weighing from 50 to 1000 pounds in some cases approximated 50 per cent of the total orders handled.

"Because in a majority of cases those light loads are being handled on trucks designed to carry 2 tons or more," we read, "there is a sizeable loss from underloading. Smaller equipment to handle these lots is one possible solution. Another, and one which is within the reach of every mover, is so to organize the schedules of the larger trucks that small lots will be combined into profitable loads."

The report sets forth methods, based on actual instances, as to how that may be accomplished.

Definite steps movers can take to spread business peaks, what kind of records to keep and how to interpret them, profit possibilities of trailer equipment, contract hauling in dull periods and kindred suggestions are contained in the report.

### Toledo Blaze

The warehouse of the Star Transfer & Storage Co. at 44 Vance Street, Toledo, Ohio, was damaged by fire on April 11 when flames originating next door spread to the basement of the warehouse. The loss to the storage company was estimated at \$25,000.

When you ship goods to a fellow warehouseman—use the Warehouse Directory.

# International Trucks Are Built to Do Your Kind of Work



## SPEED TRUCKS... Ready for Heavy Loads and High Speeds!

Look at the four modern models in International Speed Truck line. They answer a multitude of needs in the trucking world. There is the AL-3, a 1½-ton model, the A-4, for 2 tons, and the A-5 and A-6, both of 3-ton capacity. All these are speed trucks of heavy-duty design, built to carry big loads—yet built for speed as well. And attractive prices apply on all models.

The outward appearance of each is trim and businesslike—an accurate indication of the precision prevailing all through the entire engine and chassis. The new International Speed Trucks are modern in every detail . . . outside and inside . . . and pro-

vide sure and economical hauling service for all types of business.

There is a wide choice in wheelbase lengths, providing for the use of all kinds of bodies—van, panel, stake, or whatever you need!

See these trucks at one of the 183 Company-owned branches in the United States and Canada, or let us give you a demonstration on your job that will speak far stronger than words.

The International line also includes the ¾-ton Special Delivery, 1½-ton Six-Speed Special, and heavy-duty trucks up to 5-ton.



INTERNATIONAL HARVESTER COMPANY

606 So. Michigan Ave. of America Chicago, Illinois  
(Incorporated)

# INTERNATIONAL TRUCKS

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

## New Incorporations as Announced Within the Storage Industry

### California

**LOS ANGELES**—Beverly Hills Moving & Storage Co. Organized to do a storage warehouse and van service. José W. Blue, 404 North Crescent Heights Boulevard, heads the firm.

### Illinois

**Chicago**—Chicago Terminals Co., 134 North La Salle Street. General transfer and cartage business. Capital, \$50,000. Incorporators, Russell E. Olsen, Albert O. Olsen and Carleton L. Banker.

**Chicago**—Hudson Freight Lines, Inc., 3245 West Lake Street. Capital, 500 shares of no par value stock. Incorporators, Earl S. Hudson, C. P. Hudson and Guy H. Hudson.

### Kentucky

**Covington**—Covington Ice Co. Cold storage warehouse and ice plant. Capital, \$50,000. Incorporators, Frank Sedler and Harry B. Mackoy.

**Raceland**—City Ice Co. Cold storage warehouse and ice plant. Capital, \$35,000. Incorporators, Hugh Herndon and T. J. Porter.

### Michigan

**Detroit**—Central Motor Freight Co. Capital, 100 shares of no par value stock. Incorporators, G. M. Williams, 6200 Kenwood Avenue, Chicago, and Wilbur C. Bacon and L. J. Bacon of Grand Rapids.

**Detroit**—Triangle Motor Freight Forwarding Co., 5448 24th Street. Capital, \$75,000.

**Marquette**—South Shore Dock Co. Warehouses, terminals, docks, etc. Capital, \$1,000,000. Incorporators, A. E. Delf and C. E. Urbahns of Marquette and C. T. Jaffray, Soo Line Building, Minneapolis.

### Missouri

**St. Louis**—Universal Refrigeration Co. Refrigerating and cold storage warehouse. Capital not stated. Principal incorporator, Adolph Braun, 4226 Lafayette Street.

**Springfield**—White Lead Transfer & Storage Co. Storage warehouse and trucking. Capital, \$15,000. Principal incorporator, William J. Whitehead, 601 West Central Street.

### New York

**Brooklyn**—Waterfront Warehouse & Terminal Corporation. Storage warehouse and transfer. Capital, 100 shares of no par value stock. Principal incorporator, C. L. Meckenberg, 44 Court Street.

**New York City**—Hall Street Cold Storage Warehouses. Capitalization, 100 shares of common stock. Representative, F. W. Harris, Woolworth Building.

**New York City**—Reilly Storage Warehouse Corporation. Storage warehouse and trucking. Capital, \$10,000. Incorporator, L. Moskowitz, 1 West 125th Street.

**Poughkeepsie**—Marathon Motor Freight Lines, Inc. Capital, \$25,000. Principal incorporator, W. H. Montgomery.

**Rochester**—Arrow Fast Freight, Inc. Capital, 300 shares of no par value stock. Principal incorporator, Archibald E. Webster, Union Trust Building.

### North Carolina

**Salisbury**—Salisbury Storage & Distributing Company of Salisbury. General warehouse business. Authorized capital stock, \$50,000; subscribed, \$1,000. Incorporators, T. M. Hines, A. G. Malone and F. N. McCubbins.

### Ohio

**Columbus**—Columbus Independent Ice Co. Cold storage warehouse and ice plant. Capital, \$50,000. Incorporators, Walter M. Zuber, Oscar T. Kaiser and M. H. Austin.

### Texas

**Corpus Christi**—Red Ball Fast Motor Freight Lines. Capital, \$10,000. Incorporators, Gerald Curry, L. C. Curry and W. A. Weeks.

**Houston**—Federal Warehouse Co. Storage warehouse. Capital, \$25,000. Principal incorporator, C. S. Hackney, 1311 Castle Court, vice-president of the Federal Storage Co., established in 1924.

### Virginia

**Petersburg**—Petersburg Bonded Warehouse Corporation. Maximum capital, \$50,000. J. G. Holtzclaw is president.

## W. H. Kaufmann Again Heads Wertz Company

At the annual meeting of the Wertz Warehouse Co., Reading, Pa., on April 8, the following directors were elected: C. E. Kirlin, E. J. Morris, Aaron Merzbacher, James O'Rourke, Joseph A. Martin, Adolph Kaufmann and William H. Kaufmann.

The board reorganized and elected as officers the following:

President, William H. Kaufmann; vice-president, C. E. Kerlin; secretary-treasurer, George F. Kaufmann.

### Mobile Blaze

Fire wrecked a warehouse section of the Turner Terminal Co., Mobile, Ala., on March 28, damaging or destroying 5500 bales of cotton and entailing a loss estimated at \$500,000. Firemen fought the flames throughout the night. Fire doors closed automatically as the blaze spread and this aided the firemen in preventing damage in other parts of the building. The cause of the fire was not determined.

### Wright Incorporates

George A. Wright, Marion, Ohio, who recently changed the name of his firm, the Paddock Transfer & Storage Co., to the Wright Transfer & Storage Co., has announced incorporation under the new title.

## Construction, Developments, Purchases, Etc.

### Alabama

**BIRMINGHAM**—Wittichen Transfer & Warehouse Co. recently suffered damage by fire at its warehouse at 1600 Third Avenue.

### California

**Los Angeles**—Security Van & Storage Co., Inc., Santa Monica, has opened a depot at 1205 East 5th Street, Los Angeles.

**Turlock**—Tidewater & Southern Railroad Co. has plans for a \$30,000 1-story warehouse and freight building.

### Canada

**Montreal, Que.**—National Terminals of Canada, Ltd., has completed erection of another fireproof warehouse.

### Illinois

**Decatur**—Decatur Warehouse Co. is now located at 20-30 Industry Court instead of at 805-825 North Morgan Street.

**Peru**—H. J. Tobler Transfer Line is considering rebuilding its storage warehouse at 1613 Water Street, recently wrecked by fire with an estimated loss of \$60,000.

### Indiana

**Indianapolis**—Indiana Terminal Warehouse Co., having been purchased by the National Terminals Corporation, has been merged with the Indiana Refrigerating Co. The name of the consolidated firms is Indiana Terminal & Refrigerating Co.

### Iowa

**Waterloo**—Crystal Ice & Fuel Co. has taken out a permit for an \$80,000 1-story cold storage warehouse and ice plant, 80 by 120 feet, at 129 Mullan Avenue.

### Kentucky

**Harlan**—Harlan Ice & Refrigerating Co. has arranged for an increase in capital to \$200,000 from \$150,000 for general expansion.

**Louisville**—Merchants Ice & Cold Storage Company is building a \$15,000 addition.

### Michigan

**Birmingham**—Grand Trunk Railway Co. has approved plans for a \$40,000 warehouse and freight building.

**Detroit**—Great Lakes Terminal Warehouse Co. has been taken over by the United States Cold Storage Corporation, Chicago, which is operating it as the United States Storage Co.

**Ferrysburg**—Spring Lake Ice Co. is planning a \$25,000 cold storage warehouse and ice plant.

**Grand Haven**—Natural Ice Co. is planning construction of a \$50,000 cold storage warehouse and ice plant.

### Missouri

**Leeds**—American Refrigerator Transit Co., a subsidiary of the Missouri-Pacific Railroad Co., has acquired four

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**Hotels of Distinction**

**mayfair**

8th and st. charles

**Lennox**

9th and washington

**in st. Louis**

**I**N the center of shopping and theatre district. Bed lamp, floor lamp . . . hand-set telephone, fans, circulating ice water, in every room. Club meals, Garage Service, Coffee Shop. Room and Bath . . . \$3.00 up.

CHARLES H. KAHRS  
Formerly Vice President  
of Moores & Dunford, Inc.

**EPPLE & KAHRS**

*Architects & Engineers*

Announce the Removal of Their Offices to

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51 EAST 42nd ST., NEW YORK CITY

**The Home Hotel  
of New York**

Homelike in service, appointments and location . . . away from noise and congestion, yet but a few minutes from Times Square . . . garage facilities for tourists

Room and Bath from  
\$3 single \$4 double  
500 Rooms

Home folks will  
like this hotel

**HOTEL**

**BRETTON HALL**

BROADWAY at 86th STREET

**NEW YORK**



Extraordinary  
Reduction  
in Rates

AS LOW AS  
Without Meals  
\$2.50 Daily per  
Person

\$35.00 Weekly  
for 2

With Meals  
\$6.00 Daily per  
Person

\$70.00 Weekly  
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American or European Plan  
Hot and Cold Sea Water  
in All Baths  
Complete Garage Facilities

**KINGSLEY SERVICE INC.  
WAREHOUSE ARCHITECTS**

103 E. 125TH ST  
NEW YORK N. Y.

## Construction, Developments, Purchases, Etc.

(Concluded from page 70)

acres of land as a site for a cold storage warehouse, ice plant and car-icing plant, the entire project to cost about \$350,000.

**St. Louis**—Artificial Ice Co. will remodel and equip as a cold storage warehouse and ice plant, at an expense of \$140,000, the 2-story and 3-story buildings at 2410-2412 Vine Street.

### Nebraska

**Omaha**—Terminal Warehouse Co. is planning rebuilding portion of a warehouse recently damaged by fire with a reported loss of \$50,000.

### Nevada

**Reno**—Western Pacific Railroad Co. has approved an appropriation for erecting a warehouse and freight terminal.

### New York

**New York City**—New York Central Railroad Co. has taken out a permit for a \$750,000 10-story warehouse and terminal, 100 by 103 feet, at 450-456 West 14th Street, and is planning a \$10,000,000 multi-story warehouse and freight terminal on the block bounded by Spring, Washington and Clarkson Streets.

**New York City**—William J. Schottman, operating a trucking business, has leased the 4-story building, 50 by 100 feet, at 541-543 West 37th Street and will occupy it as a warehouse.

### Ohio

**Columbus**—Swormstedt Storage & Van Co. has taken over under lease the 4-story and basement building at 402 Mt. Vernon Avenue, containing 20,000 square feet of space, and George Blackwell has been placed in charge as manager.

**Columbus**—E. E. Ward Transfer & Storage Co. on April 1 celebrated its fiftieth anniversary of entering business.

**Portsmouth**—Norfolk & Western Railroad has plans for a \$30,000 1-story warehouse.

### Oklahoma

**Shawnee**—Independent Ice Co. has approved plans for a \$35,000 1-story cold storage warehouse and ice plant, 68 by 75 feet, at Union and Highland Streets.

### Tennessee

**Nashville**—Atlantic Ice & Coal Co. is planning to spend \$25,000, extending and improving its cold storage warehouse.

### Texas

**Amarillo**—Borker Truck Lines have joined the Texas Warehouse & Transfermen's Association.

**Fort Worth**—Texas Warehouse & Transfermen's Association has removed to Room 916, from 710, Dan Waggoner Building.

**San Antonio**—Wells Transfer Co. has removed to larger quarters at 113-115

Live Oak Street. It was located formerly at 808 South St. Mary's Street.

### Wisconsin

**Eau Claire**—Eau Claire Ice Co. has filed plans for an addition to its cold storage warehouse and ice plant on Center Street.

**Madison**—Heick Transfer Co. has taken out a permit for a 1-story warehouse at 2087 Atwood Avenue.

## Railroads Gradually Extending Store-Door Pick-Up and Delivery

**UNDER** tariffs effective May 1 the Chicago & North Western Railway and the Chicago, Milwaukee, St. Paul & Pacific Railroad inaugurate pick-up and delivery service on less than carload freight shipments at a limited number of stations in Minnesota, Wisconsin and Illinois. In Minnesota, Fairmont, Mankato, Owatonna, Rochester, Waseca and Winona, and in Illinois, 32 stations including Chicago, and in Wisconsin, 39 stations, for the C. & N. W. In Minnesota, Fairmont, Mankato, Owatonna and Winona, and in Illinois, 9 stations including Chicago, and in Wisconsin, 19 stations, for the C., M., St. P. & P., Milwaukee and LaCrosse, Wis., are included in both tariffs.

The Chicago Great Western Railroad Co. inaugurates, effective May 1, store-door delivery and pick-up service in Chicago, a nominal charge being made in addition to the regular freight rate.

The Pennsylvania Railroad on April 20 began coordinated rail, motor truck and steamship transport between Baltimore and Salisbury, Md. Baltimore shippers load freight in truck bodies at their store doors, motors take the bodies to the piers and the containers are there loaded aboard vessels which take them across the Chesapeake Bay; they are then placed on railroad cars and move on to Salisbury.

Intensive studies are being made by the Pennsylvania with the aim of extending truck body service to other points where it may be demonstrated that such a coordination of freight trains and motor trucks will be efficient, economical and in the public interest.

## Hartford Firm Opens a New Springfield Plant

The Hartford Despatch and Warehouse Co., Hartford, Conn., opened on April 1 its new Springfield, Mass., warehouse, located at 88 Birnie Avenue, and giving the firm greatly increased facilities in a modern structure served with a railroad siding with large semi-covered loading platforms. On the premises is an up-to-date garage for housing the company's motor truck fleet.

Service to customers will continue via the Boston & Maine Railroad.

Richard Reardon, in the company's employ for a number of years, has been made manager of the Springfield plant.

## Washington Safe Deposit Co. Decides to Liquidate

DISTRIBUTION AND WAREHOUSING'S  
Washington Bureau,  
1163 National Press Building.

**THE** steady progress of the Federal Government's gigantic building program in this city and the inexorable competition of newer and more centrally located banks have combined to force the passing of a time-honored Washington institution—The Washington Safe Deposit Co., Inc.

This company, which started operations in 1885, was the first institution of any kind in Washington to furnish safe deposit boxes for the storage of valuables and the first to make a general business of caring for valuables of all kinds.

Forced from its location at 916 Pennsylvania Avenue, Northwest, where it had been ever since its inception, the company will be liquidated as rapidly as possible, according to George Spransy, its 76-year-old president.

Mr. Spransy said competition from banks and other more modern institutions had slowly taken the business away from the Washington company, and that it had been decided that liquidation was the best way out, inasmuch as the company would be compelled to leave its present location.

—Stephens Rippey.

## Ronin Honored

James Francis Ronin, general manager and treasurer of the Albany Terminal & Security Warehouse Co., Inc., Albany, N. Y. is the subject of a one-page sketch in the March 30th issue of *This Week in Albany*. His business and social careers are outlined under "Who's who in Albany."

Mr. Ronin is a director of the local Chamber of Commerce and is chairman of that organization's aviation committee, and is president of the Suburban Baseball League and a director of the Knickerbocker Athletic Club.

## Omaha Blaze

Twenty-nine persons were overcome by smoke or cut by falling glass at a fire in the storage building of the Terminal Warehouse Co. at Tenth and Jones Streets, Omaha, on March 19. The blaze, attributed to spontaneous combustion in beet pulp on the seventh floor, caused losses unofficially estimated at \$15,000 to the building and possibly \$100,000 on contents, virtually all covered by insurance, according to local newspaper accounts. The flames were confined to the floor on which they started.

## Change of Name

The American Brokerage & Warehouse Co., Charlotte, N. C., has changed its name to American Storage & Warehouse Co., on account of the mistaken impression created that the firm is engaged in the brokerage business.